

Stellenbosch Municipality



Annual Report

Compiled in terms of Section 121 of the
Municipal Finance Management Act (Act 56 of 2003)

2007/2008 Financial Cycle

December 2008

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CHAPTER 1

Introduction and Overview

1.1 OVERVIEW BY THE EXECUTIVE MAYOR

1.1.1 THE POLITICAL STRUCTURES

The financial year under review can be divided into two periods as a result of political change:

From 1 July 2007 to 8 April 2008 a coalition government comprising the Democratic Alliance (DA), the African Christian Democratic Party (ACDP), the Kayamandi Community Association (KCA – until October 2007) and the United Democratic Movement (UDM) had political control of the Stellenbosch Municipality.

However, a by-election in ward 17, which was held on 19 March 2008, led to major changes in the Council. Councillor Myra Linders, who stood as an independent candidate, won the by-election and joined forces with the ANC and KCA to form an alliance. This alliance now had enough councillors to change the balance of power in the Council.

At a Council Meeting on 8 April 2008 a new political leadership was elected: Patrick Swartz as the Executive Mayor, Councillor Cameron Mcako as the Deputy Executive Mayor and Councillor Gordon Pheiffer as the Speaker. The new MayCo was announced at an inaugural ceremony in the Town Hall on 21 April 2008.

MayCo members for the two periods:

1 July 2007 to 8 April 2008	8 April 2008 to 30 June 2008
EL Maree (Executive Mayor)	PM Swartz (Executive Mayor, Strategic Services)
K Shubani (Deputy Executive Mayor, Community Safety)	C Mcako (Deputy Executive Mayor, Corporate Services)
CP Jooste (Corporate Services until October 2007 and IHS until April 2008)	ME Linders (Community Safety)
V Fernandez (Social Development Services)	MM Smith (Social Development Services)
AH Götze (Planning, Heritage and Environment)	JC Anthony (Planning, Heritage and Environment)
PM Swartz (Integrated Human Settlements until October 2007)	MD Oliphant (Integrated Human Settlements)
JW van der Poel (Engineering Services)	NA Mgijima (Engineering Services)
PJ Venter (Financial Services and Corporate Services from October 2007)	SM Gordon (Financial Services)

1.1.2 THE ADMINISTRATION

The macro organisational structure makes provision for a municipal manager and nine directors. The following directors served for the duration of the year under review:

David Daniels	Municipal Manager
Seymour Bedderson	- Integrated Human Settlements
Richard Bosman	- Community Safety
Ian Kenned	- Financial Services
Kevin Ketterer	- Civil Engineering Services
Claudia Koopman	- Strategic Services
Hanlie Linde	- Social Development
Len Mortimer	- Corporate Services
Marx Mupariwa	- Planning & Environment Services
Michael Rhode	- Electrical Engineering Services

1.1.3 SERVICE DELIVERY

Council's first revision of its Integrated Development Plan (IDP) for the period 2007 to 2011 was adopted in May 2008. In the foreword to this IDP mention was made of some innovative steps needed to address our manifold needs:

- Firstly, our ward-based plans aim to address community needs at grassroots level. We view the IDP as a people-driven process, through which the eight principles of Batho Pele will be given concrete meaning. Through our various organisations, schools, churches, crèches, sport and youth organisations, our people should engage with the IDP and the budget so that the eventual outcome will represent the collective will of the people of Greater Stellenbosch.

- Secondly, we are investing in informed and highly skilled technical leadership to chart the way forward for Greater Stellenbosch well into the future.
- Thirdly, sustainable development is not negotiable. Therefore, our strategies around integrated human settlement, local economic development and infrastructural planning take the triple bottom line of economic, environmental and social concerns very seriously.
- Fourthly, the first draft of the Spatial Development Framework and other spatial development plans are in an advanced form, and will greatly assist in avoiding the planning pitfalls and hold-ups of the past.

There are some daunting challenges, such as the uncertain energy situation and the rising cost of living, but we are still positive that, in the spirit of UBUNTU, we shall still be able to focus sharply on and attend to

- alleviating poverty through giving people the means, not just handouts;
- building cooperation and a sense of community and pride in our town;
- revitalising our older and run-down neighbourhoods; and
- strengthening our safety network and social partnerships to the benefit of the most vulnerable groups in our community, through our Community and Social Development programmes.

The major service delivery achievements are discussed in Chapter 2 of the Annual Report, though it is necessary to highlight the following achievements:

- At a gala event, hosted by SALGA, DWAF & Western Cape Provincial Government, Stellenbosch Municipality was again acknowledged for the excellence of water quality management and eradication of buckets in the municipal area.
- Bergzicht Taxi Rank: Consulting engineers have completed the tender process and a construction firm was subsequently appointed to implement the first phase at a cost of R5.7m. The project is currently 50% complete.
- Seasonal fire-fighters: This project has proven very successful with the employment of people, since December 2005, from the disadvantaged areas of Stellenbosch to assist Fire and Rescue Services with fighting fires. 12 workers are currently employed on this basis.
- Traffic safety: A decline of 11.85% in total vehicle collisions was achieved during the 2007/2008 period.
- Langrug, an informal settlement in Franschhoek was provided with bulk electrical services (1300 connections were made).
- Spatial development frameworks for Koelenhof and Klapmuts were completed and submitted to Council for approval, whilst the Spatial Development Perspective was presented to Mayco for a recommendation to Council for approval.

1.2 OVERVIEW OF THE MUNICIPAL AREA AND ITS PEOPLE

1.2.1 INTRODUCTION

The Stellenbosch municipal area covers approximately 900 square kilometres and is characterised by a series of mountains, hills and valleys. The area is internationally renowned for its beautiful environment, mountains, rivers, nature trials, wine farms, street cafés and restaurants, as well as its excellent educational institutions, most notable of which is the University of Stellenbosch.

The major urban settlements are:

- Stellenbosch town;
- Franschhoek town;
- De Novo, Muldersvlei, Klapmuts, Elsenburg and Koelenhof (to the north of Stellenbosch);
- Vlottenburg, Lynedoch, Raithby and Jamestown (to the south and west of Stellenbosch);
- Johannesdal, Kylemore, Pniel, Lanquedoc and Groot Drakenstein (in the Dwars River Valley between Stellenbosch and Franschhoek); and
- Wemmershoek, La Motte and Maasdorp (in the Franschhoek Valley).

1.2.2 POPULATION GROWTH AND SIZE

The Municipality commissioned Prof HL Zietsman of the Geographical Systems Research Bureau in Stellenbosch to conduct a study in this regard. The Professor's findings are reported in a document titled *Recent changes in the population structure of Stellenbosch Municipality* (February 2007). Population census data from 1970 to 2001 was used to project the total population in 2006.

On such a basis, the Municipality was able to project the increasing demand on local government services, infrastructure and other facilities. The current and future estimates of population size and growth are presented below:

Total population: 1970 - 2001

Population group	Census Data				
	1970	1980	1991	1996	2001
African	293	6 140	14 754	17 514	24 145
Coloured	43 170	48 180	73 096	65 967	67 528
Asian	65	40	184	299	235
White	19 629	23 900	34 081	28 655	25 797
Total	63 157	78 260	122 117	112 434	117 705

Growth rates and projected total population

Population group	Geometric Rate % Annual growth rate	Projected Data 2006		
		Linear	Geometric	Average
African	9.3	26 285	37 665	31 975
Coloured	1.4	76 595	72 396	74 496
Asian	2.1	306	261	283
White	0.7	31 534	26 707	29 121
Total	2.0	134 720	137 028	135 874

Population growth is on average with other Municipalities, although slightly slower than that of the Drakenstein and Cape Town Municipalities. The faster growth of the African population has begun to change the demographic composition of Greater Stellenbosch, resulting in a requirement for targeted intervention to ensure adequate infrastructure and service delivery.

Just under a quarter of the population in the Stellenbosch Municipality is under 15 years of age. This fairly youthful age structure is of special significance, as it means that there is a strong dependency ratio and a wide-ranging need for educational facilities. More than two-thirds of the population is in the economically active age group between 15 and 65 years, placing a heavy demand on the creation of sustainable job opportunities.

1.2.3 LANGUAGE COMPOSITION

Predominant language according to population group

Population group	Afrikaans (%)	English (%)	IsiXhosa (%)	Other (%)	Total (%)
African	5.9	3.1	83.0	7.9	100.0
Coloured	96.0	3.6	0.1	0.3	100.0
Asian	22.7	74.0	0.0	3.2	100.0
White	71.6	25.9	1.0	1.5	100.0
Total	69.4	8.4	19.8	2.3	100.0

Afrikaans is still the predominant language in the municipal area, as more than 87 000 members (72%) of the population have indicated it as their first language. However, a comparison with the figures for 1991 shows that the Afrikaans-speaking proportion has declined by about 6%. isiXhosa first language speakers, in contrast, have increased by 6%, while the number of English first language speakers has remained relatively consistent, at 7%. A similar trend is also evident in the surrounding areas.

1.2.4 EMPLOYMENT STATUS

Employment status according to population group (2006)

Population group	Employed (%)	Unemployed (%)	Not potentially economically active (%)
African	28.0	30.1	41.9
Coloured	37.6	9.1	53.3
Asian	34.3	0.6	65.1
White	35.7	0.7	63.6
Total	34.9	12.3	52.8

Of the total population in the municipal area, 12% was unemployed in 2006, amounting to 26% in terms of the potentially economically active population. A figure of this magnitude is of serious concern, especially in terms of the African population, in which more adults are unemployed than employed. The longer-term trends for the region (1991–2001) show that unemployment has generally risen in all the surrounding regions, with such an increase being lowest in the Stellenbosch Municipality. Nevertheless, job creation is a key priority for the Stellenbosch Municipality, as it should be for all spheres of government, especially since the Municipality lacks both the power and resources to address unemployment alone.

1.2.5 PERCENTAGE OF WORKERS EMPLOYED IN THE DIFFERENT ECONOMIC SECTORS

Percentage of workers employed in the different economic sectors

Sector	%
Agriculture, forestry and fishing	18.0
Mining	0.6
Manufacturing	10.7
Electricity & water	0.2
Construction	4.7
Wholesale & retail trade; catering and accommodation	20.2
Transport & communication	1.7
Finance and business services	10.4
Community, social and other personal services	15.1
Private	5.6
Undetermined	12.8
Total	100.0

In terms of the above figures, the wholesale and retail trade sector are seen to employ the largest proportion of all workers (20%), followed by the agricultural sector (18%), with the community and personal service sector coming third (15%). Manufacturing is also an important sector, being strongly linked to the agricultural activities in the region. Education forms part of the community services, with the prominence of Stellenbosch in that sector being due to the impact exerted by the University.

Longer-term trends over the period 1991 to 2001 showed a decline in the proportion of workers involved in agriculture and community services. Conversely, Stellenbosch had experienced a proportional increase in its manufacturing, trade and financial sectors, which is most marked in the shift to more highly skilled occupations.

In a recent study conducted for the Western Cape provincial government by Van der Merwe, Zietsman and Ferreira (2005), the town of Stellenbosch was ranked highest in the Western Cape in terms of economic growth potential.

1.2.6 INCOME

Individual income (1996 and 2001)

Population group	Monthly per capita income in 1996 (R)	Monthly per capita income as % of 1996 total average	Monthly per capita income in 2001 (R)	Monthly per capita income as % of 2001 total average	% of population earning less than 1996 total average	% of population earning less than 2001 total average	Change in percentage points (1996–2001)
African	486	44.3	612	29.1	86.1	95.2	9.0
Coloured	592	54.0	968	46.1	82.7	88.2	5.5
Asian	1 296	118.1	1 792	85.3	69.6	78.9	9.3
White	3 042	277.3	6 463	307.6	51.6	63.8	12.2
Total Average	1 097	100.0	2 101	100.0	76.6	84.3	7.7

In 1996 the mean monthly incomes of the African and Coloured population groups were 44% and 54% respectively in respect of the total mean for all groups, with such figures declining to 29% and 46% respectively in 2001. Such a decline indicates the increasing disparities experienced, which make more urgent any intervention aimed at creating more economic opportunities and jobs.

1.2.7 DWELLING TYPE

Dwelling type according to population group

Population group	Formal (%)	Informal (%)	Traditional (%)	Other (%)	Total (%)
African	36.1	48.2	11.5	4.3	100.0
Coloured	84.5	11.3	4.0	0.2	100.0
Asian	100.0	0.0	0.0	0.0	100.0
White	96.4	2.6	1.0	0.0	100.0
Total	78.2	17.7	3.7	0.4	100.0

Although approximately 80% of all residents live in formal dwellings of some kind, nearly 50% of the African population still lives in informal dwellings. The proportional change undergone since 1991 suggests that the backlog is growing. The number of people living in informal dwellings has increased by more than 10 percentage points, with a similar trend being experienced in all surrounding areas as well. A comparison with 1996 and 2001 figures suggests that the rate of housing delivery must be increased, as the housing backlog has grown by 2% a year, resulting from the impact of migration into the municipal area. Clearly, more focused interventions and an increase in provincial funding and Council prioritised funding is required to address the challenge.

1.3 VISION, MISSION AND STRATEGIC PRIORITIES

In order to address the complex challenges faced by the municipality, more effective cooperation must take place with district, provincial and national government. The extensive resources held by the various communities, the business sector, the non-governmental organisation (NGO) sector and the University must collectively be mobilised in order to address the challenges.

The MayCo and top management held a workshop in November 2007 aimed at determining the strategic way forward. The vision and mission statements were reaffirmed:

VISION (what we want to be)

*A dynamic, efficient, accountable and caring frontline organisation
dedicated to
professionalism, excellence, good governance and the pursuit of sustainability in delivering on our
Constitutional mandate
by
fostering social and economic development in viable local economies and creating opportunities for all in
Greater Stellenbosch to improve their quality of life in safe, sustainable human settlements.*

MISSION (why we exist)

To serve the Greater Stellenbosch community with integrity and efficiency through

- the delivery of municipal services,*
- the promotion of managed local economic and social development and the creation of local jobs,*
- the maintenance of a safe, healthy, sustainable and unique living environment and*
- the active engagement of civil society in the business of the Municipality.*

Stellenbosch Municipality has defined five focus areas to constitute the focus of the organisation over the next five years. These are:

- Services (civil engineering services and electrical engineering services)
- Development (planning and environment, local economic development and social development)
- Living Environment (community safety, integrated human settlements and green services)
- Community (IDP and community participation)
- Governance (corporate services and financial services)

The progress made so far with the implementation of the strategic priorities of the Council is outlined in Chapter 2.

CHAPTER 2

Performance Highlights

2.1 CIVIL ENGINEERING SERVICES

2.1.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Civil Engineering Services in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Increased access to appropriate, affordable and well maintained services	Complete road and transport master plans and strategies.	100%	
	Business plans for sanitation service completed. Water Services Development Plan completed.	100%	
	Complete the upgrading of ±6km gravel roads to tar roads (Lanquedoc)	100%	
	Complete master plans and strategies related to water services	100%	
	Provide six new ablution facilities in informal settlements.	100%	
	<ul style="list-style-type: none"> Initiate wheelie bin waste removal in suburban areas. Complete master plans and strategies related to waste removal services 	100%	
	<ul style="list-style-type: none"> Revision of Bulk Services Levies formula and tariffs Revise service tariffs to reflect cost recovery of service delivery. 	100%	
	Complete the revision of the Pavement Management System	100%	
	Complete water services business plan.	100%	
	Filling of key posts and train staff.	100%	

2.1.2 OTHER PERFORMANCE HIGHLIGHTS

Civil Engineering Services is a service delivery department, with all basic services falling within the directorate's ambit. The directorate strives, with the help of the public, to make Stellenbosch a better place in which to live for all residents.

A Water Services

Water

Civil Engineering Services provided the following water services in 2007/2008:

- Number of households provided for the first time with a potable water supply within at least 200 m of the dwelling 423
- Number of households provided for the first time with new sanitation connections 305
- Total amount of water abstracted and/or purchased by the Municipality (in kl) 11 850 074
- Total amount of water supplied and metered (in kl) in 2007/2008 11 850 074
- Number of network bursts and leaks per 100 km of water pipe experienced 70

The World Health Organisation notes that the primary health of a community is significantly impacted upon by the quality of its drinking water and that interventions to improve the quality of drinking water provide significant benefits to community health. Such is especially the case where members of the community may be immuno-compromised. The necessity to provide safe drinking water has resulted in Stellenbosch Municipality, post-1994, monitoring and managing drinking water quality very effectively.

The quality of drinking water attained 99% conformance with South African National Standard (SANS) 241 throughout the municipal area.

The Department of Water Affairs and Forestry acknowledged the excellence of the drinking-water quality management contribution made by Stellenbosch Municipality to its citizens and assistance in driving national

policy development. From an initial short list of 11 top performing Water Services Authorities (out of a possible 169 water services authorities in South Africa) Stellenbosch Municipality was 1 of 3 water services authorities awarded a certificate for excellence in drinking-water quality monitoring and management. Particular attention was drawn to the extent to which Stellenbosch has extended this service to cover all communities across the municipal area. This national award is indeed an honour on which Stellenbosch Municipality and its citizens should be proud.

Sanitation

Stellenbosch Municipality is served by six waste water treatment works (was seven but La Motte waste water treatment works closed down). Consultants were appointed to monitor the effluent quality from the works. Results are published on the EWGMS system and reported to the National Department.

Services included the following for the 2007/2008 financial year:

• Sewerage water treated (in kL)	7 071 000
• Total number of blockages removed	2 514
• Number of households provided for the first time with new sanitation connection	305
• Total number of connections connected to the system	15 750

All the public, mobile and ablution facilities were serviced for the duration of the year. All sewerage pump stations were evaluated and improvements were made to minimize failures.

B Transport, Roads and Stormwater

Traffic-calming

The traffic-calming policy was revised during 2006/2007. Traffic calming measures were implemented at 34 locations within Stellenbosch and Franschhoek. All the traffic calming measures were evaluated by the Traffic Engineer and approved by the Traffic Committee. The majority of these projects were funded with the ward allocations from the Basic Capital Funds.

Transport Planning

Pendulum Consulting was appointed as programme managers to facilitate the tender processes of various projects for the upgrade of transport projects funded in terms of the Public Transport Infrastructure and Systems Fund 2010 Soccer World Cup funding. The municipality has received a total sum of R28m (R20m from the Department of Transport and R8m from the Provincial Government Western Cape).

Bergzicht Taxi Rank

The consulting engineers Vela VKE have completed the tender process and Ikapa Construction was subsequently appointed to implement the first phase at a cost of R5.7m (namely the taxi rank) of the upgrade of the Bergzicht development. The project is currently 50% complete. The design of phase 2 which comprises of an administration building with ablution facilities and formal facilities for informal traders is complete.

Pedestrianisation of Portions of Church Street and Andringa Street

Vela VKE Consulting Engineers was appointed to provide professional services for the above project. This appointment entails the design, development of contract documentation and site supervision of the implementation of pedestrian and cycle facilities as well as the hard landscaping of Church Street and portions Andringa Street.

Non Motorised Transport Link between Kayamandi and Stellenbosch CBD

Vela VKE Consulting Engineers was appointed to provide professional services for the above project. This appointment entails the design, development of contract documentation and site supervision of the implementation of pedestrian and cycle facilities from Kayamandi to the Stellenbosch CBD. This project also includes the design of hard and soft landscaping elements along the route

Non Motorised Transport Network Plan for Stellenbosch and Implementation of Phase 1

Stewart Scott International Consulting Engineers was appointed to provide professional services for the above project. This project entails the development of a non motorised transport network plan for the Stellenbosch area as well as the design, development of contract documentation and site supervision of the implementation of phase 1 of the network.

River rehabilitation (Stellenbosch)

The condition of the banks on the Eerste River in general are fair, however, specific areas showed signs of severe erosion. These eroded banks, coupled with the higher rainfall expected during winter, posed a serious threat to the stability of these banks. Previous repairs had already been done and gabions were constructed. This proved to be effective in preventing further erosion. Two further areas on the river bank began to show signs of erosion, compromising the stability of the slope and land adjacent to these slopes. The works were considered urgent as further rainfall would cause the river banks to erode and collapse.

River Rehabilitation (Franschhoek)

During September 2007 the river banks of the Stiebeuel River running through Groendal eroded with heavy rains. The bank was especially dangerous at two areas where a constructed pathway flooded and pedestrians could not walk on the steep edge of the river bank. Gabion Construction was appointed to rectify and stabilize the river bank and reconstruct the pedestrian pathway for the resident's safety.

Fabriek Street (Franschhoek)

Fabriek Street was upgraded from a gravel road to a surfaced road. The 240m gravel road was constructed with curb, channel and asphalt surfacing.

Upgrading of Roads: Jamestown

Africon Consulting Engineers and Baseline Contractors were appointed to upgrading several gravel roads to surfaced roads in Jamestown. The upgrading was partially funded by MIG.

Rehabilitation of Roads

Several roads within the CBD area were either heavy-or light rehabilitated by milling of the existing surfacing and/or base course and replacing of the base course and surfacing layers. Alexander Street and large sections of Ryneveld and Andringa Streets were done. The total amount of these projects amounted to approximately R3m.

Reseal Preparations: Helshoogte Road

Helshoogte Road is a proclaimed main road and with subsidized funds reseal preparations of R400 000 were done mainly at the Cluver/Helshoogte intersection. Helshoogte Road is on the reseal programme for the 2008/2009 financial year.

Rehabilitation: Adam Tas Road

Adam Tas Road is a proclaimed main road and the section between Bird-and Molteno Road were resealed. Selective patching and an overlay were done as preparation work with an "Ultra Thin Friction Course" seal as the final wearing course. The total amount of this project amounted to R1 300 000.

Upgrading Of Sidewalks

The sidewalk of Protea Street between Rustenburg and Tindell Street in Idas Valley was reconstructed and upgraded to a surfaced sidewalk.

The sidewalk of Northend between Currie- and Long Street in Cloetesville was reconstructed and upgraded to a surfaced or tarred sidewalk.

Upgrading of Bridge: Idasvallei

The Lindida bridge were beautified and upgraded with handrails.

Street Lighting: Long Street

The upgrading of the Street lighting along Long Street extension to the Welgevonden link (R304) was finished during the 2007/2008 financial year.

Lanquedoc

A trilateral partnership between the Cape Winelands District Municipality (CWDM), Anglo American Farms and the Municipality led to the upgrading of approximately 6 km of gravel roads to tar roads in Lanquedoc. The project value is R18 million and the Directorate Civil Engineering Services applied for and secured a Municipal Infrastructure Grant (MIG) to the amount of R6 million. Although the project commenced during the former financial year the completion date was extended to October 2008. Additional funds were sourced to ensure the upgrade op additional side walks as well as Public transport drop off areas.

Techno Park traffic signals

Martin & East was appointed to upgrade and implement traffic signals at the Techno Park intersection during 2006/2007. The project period however overlapped into the current financial year and the job was completed during December 2007.

Road services provided, in summary

Civil Engineering Services provided the following road services in 2007/2008:

• Total amount of capital budget spent on streets/roads and Public Transport Facilities	20 886 017
• Total amount of operating budget spent on streets/roads	15 493 967
• Total amount of operating budget spent on streets/road maintenance	7 480 236
• Total amount of capital budget spent on streets/road asset replacement, refurbishment and rehabilitation	5 920 860

C Solid Waste Management

Council recently approved the implementation of the more advantageous 240l mobile bin system. At the time of compilation of the report, these, namely Paradyskloof, Jamestown and Raithby, Onderpapegaaiberg, Brandwacht, Dalsig, Kayamandi and Die Boord had already been issued with mobile bins. Due to the initial success of the project, further rollout of the system to the rest of the municipal area will soon follow, as budgetary provision allows.

Jan Palm Report on Waste Disposal Options

A study was commissioned by the Director Civil Engineering Services to investigate the options available to Stellenbosch Municipality with regard to the future of waste management with specific reference to the future of waste disposal and any associated waste reduction and waste transfer and transport activities.

The study by Jan Palm Consulting Engineers has shown that, where ever the waste from Stellenbosch Municipality gets disposed, all the options require of Stellenbosch Municipality to establish a material recovery facility (MRF) and transfer station near Stellenbosch, being the largest waste generator in the municipality. The best location for such a facility would be at the existing waste disposal site on the Devon Valley Road since it is already permitted and would only require a permit amendment.

Eco-Park Tender

Council received two bids for the establishment of an Eco-Park during the 2007/08 financial year. The award of this bid could to date not be finalised due to outstanding information from the bidders, and a proposed inspection of plants similar to those proposed in the tender, not being made possible.

Solid waste services provided, in summary

Civil Engineering Services provided the following solid waste services in 2007/2008:

• Number of urban households provided for the first time with a weekly refuse collection service	68
• Total volume of general waste collected (m ³)	310 000
• Total volume of general waste recycled (m ³)	40 000
• Total volume of landfill available (m ³)	4 000

Major Challenges

The Directorate ensures the provision of sustainable, quality, effective and efficient basic services by managing the IDP projects and programmes.

The existing services an i.e. water/sanitation network, treatment works and roads and storm water system are reaching the end of its economical life and should be replaced. Waste water treatment plants and bulk sanitation networks need urgent upgrading to align with the growth and housing strategy. The current maintenance and capital budgets are not sufficient to deal with the replacement and upgrading of the services.

The landfill site will reach its capacity by 2009. An alternative is urgently required while public drop off facilities, recycling alternatives and the implementation of wheelie bins are to be rolled out.

Congestion on the roads and available parking in town in conjunction with the Non Motorized Transport programme and public transport facilities to be integrated in the Transport Master Plan for the greater Stellenbosch. Missing links and the upgrading of gravel roads to tar roads in rural areas are required. Storm water system needs urgent upgrading in the Franschhoek area.

River water quality is constantly deteriorating. A survey to determine illegal connections to the storm water system is essential.

The implementation of a Fleet Management Operational plan is required. Replacement of vehicles is overdue which impacts negatively on the operational cost of running an old fleet of vehicles and restricting the efficiency of operational personnel.

Continued training and motivation of staff to ensure skills development and meeting the employment equity targets should be addressed.

2.2 COMMUNITY SAFETY

2.2.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Community Safety in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Improved community safety	Daily regulation of informal trading activities.	100%	
	Daily monitoring of CCTV cameras in the area to detect and deter unlawful actions.	100%	
	Proper regulation of access control and usage of premises by the public and staff.	100%	
	Visit each primary school at least twice this year to raise awareness and educate learners on road safety.	100%	
	Reviewed disaster management plan as part of IDP review cycle.	50%	In process
	Inspections carried out on all high volume public occupancy premises with a focus on entertainment facilities	80%	During high fire season in the summer months of November to December all staff are utilized to combat fires which results in the 80% achievement.
	Daily enforcement of by-laws and complaint response.	100%	
	Well ordered with average 70% daily rotation rate.	60%	Lack of effecting law enforcement due to weather conditions
	Enforcement actions 7 days a week.	100%	
	Improve collection rate by 10% over previous years.	5%	The payment of traffic fines is not improving as expected. National problem
	Meet standard daily in respect of manning levels and response times.	80%	Shortage of personnel in fire service as well as remote areas.
	Attend CPF meetings in Stellenbosch and Franschhoek.	50%	Lack of personnel
	Attend and participate in business watch meetings and activities.	100%	
	Provide material support to neighbourhood watches.	100%	

2.2.2 OTHER PERFORMANCE HIGHLIGHTS

A Fire and Rescue Services

- Seasonal fire-fighters: This project has proven very successful, with, since the December 2005 peak season, people from the disadvantaged areas of Stellenbosch being employed to assist Fire and Rescue Services with fighting fires. Twelve workers are currently employed on this basis, and people from this cadre are being targeted for junior fire-fighter positions within the services. This project is contributing to the alleviation of unemployment in the area.
- Volunteer fire-fighters: As a result of past successes with seasonal fire-fighters, an increasing number of people from the community are applying to become involved in their communities by means of joining the Fire and Rescue Services' Volunteer Corps. From its outset in 2005, the project has progressed well, steadily expanding from its initial ten members, with all members rendering excellent support to the fire department.
- Public safety in the informal areas and public awareness programmes: Due to the positive results obtained from the projects undertaken in the informal settlement areas, such projects have been extended to the schools and crèches in the area.

- Capital projects: The addition of two light fire engines and a rescue vehicle to the fleet of the Fire Service has greatly enhanced the efficiency of the service overall.
- Manpower: The new post of Platoon Commander at the Fire Prevention Section has improved this department's efficiency as more commercial and industrial buildings are visited on a daily basis to ensure compliance to the relevant laws and regulations.

B Law Enforcement & Disaster Management

Law Enforcement

- The third phase of the computerised security and closed-circuit television (CCTV) system at the municipal buildings and other facilities are underway. In an attempt to safeguard Council buildings and the CBD and surrounding areas.. Ancillary monitoring and response to complaints are done on a daily basis.
- The CCTV camera system had been used to combat ATM crime, in that possible assailants were closely monitored and removed at hotspots.
- The Councillor Protection Policy, was extensively applied in that Councillors were protected by Law Enforcement personnel during the period of floor crossing, as well as the fact that Councillor Shubani has been supported by our staff on a regular basis since the attempt on his life.
- Joint initiatives between law enforcement, SAPS, the community organisations and traffic were embarked on, for the year under review.
- The two motorcycles provided to law enforcement had been used by personnel to monitor and control the Onder-Papegaaiberg Nature Reserve, Watergang, Idas Valley dam, rivers, cemeteries, as well as the informal settlement on erf 1406, Stellenbosch.
- Special operations were utilised to combat land invasions. Co-operative agreements were entered into with the SAPS and private service providers in an attempt curb land invasions.
- During the period under review, the staff also affected various arrests for serious criminal offences, including robbery, theft, etc.
- Monitoring and control of informal traders had been heightened. Daily monitoring and issuing of fines are done on a continuous basis.
- Several joint operations between law enforcement and the SPCA were held to prevent health issues from arising.

Disaster Management

- The Disaster Management plan is being reviewed. The revised version will be incorporated into the IDP. A system of quarterly reviews is initiated in an attempt to establish best practises for disaster management.
- Active cooperation took place with the Cape Winelands District Municipality and its service provider, the Cape Peninsula University of Technology (CPUT), continues with the Community-based Risk Assessment Programme (CBR).
- From July 2007 to June 2008 various incidents of fires and flooding impacted on informal settlements in the area. Those worst affected by such incidents were assisted with the appropriate emergency relief under guidance of the relevant ward councillors and the disaster management team.
- The Council also had to deal with the xenophobic violence which had erupted in May 2008. The Disaster Management staff in co-operation with law enforcement assisted extensively to secure not only safe harbour for people, but also to ensure that their basic needs had been addressed.

Occupational Health and Safety

- The municipal-wide risk audit started the previous year continued, including the keeping of incident records and control, as well as the provision of fire protection and prevention. After various shortcomings were addressed, corrective actions were prioritised to ensure compliance with the law in order to create a safe work environment.
- All safety representatives and first aiders throughout the Municipality were identified for further top-up training, new appointments, etc.
- Extensive training had been done for safety representatives, first aiders and other officials in terms of the Occupational Health and safety act.

C Traffic Services

- The mobile Weighbridge was purchased by the department within this period.

- Six motor vehicles were purchased during this period in order to improve the functioning of our law enforcement section and this contributed positively on increasing visible policing.
- The staff undertook various highly effective night operations in conjunction with the SAPS and law enforcement.
- A decline of 11.85% on total collision was achieved during the 2007/ 2008 period.

Major Challenges

Two more satellite fire stations (Klapmuts and Jamestown)

Stellenbosch Fire Services do not comply with the legislation as prescribed by SANS 10090 with regards to response times. In order to align ourselves and comply with this legislation, the building of two satellite stations (Klapmuts and Jamestown) are a necessity.

Specialised vehicles for Fire Services

The current fleet of vehicles in the Fire Services are very old and needs replacing. These vehicles are dedicated, specialised vehicles and needs to be budgeted separately on the capital budget. The immediate need for the fire Services are two Major Pumpers and one medium pumper. Our hydraulic platform is also very old and to replace it would cost approximately R 4, 5 million. (In terms of our high rise buildings and the risks associated with it, this vehicle must be replaced as soon as possible).

Dedicated overnight quarters at the Stellenbosch Fire Station

The current situation with regard to housing is that there are 20 houses on the premises. This has its advantages but also its disadvantages. The rules of the fire services can't be applied consequently when fire-fighters on duty are staying on the premises. To improve the situation, dedicated overnight quarters must be built on the immediate premises of the Fire Services.

Building capacity in terms of Manpower

Stellenbosch Fire Services do not comply with the legislation as prescribed by SANS 10090 with regards to the manning levels of vehicles when responding to emergencies. The Fire Services are seriously understaffed and only the Reservist programme and Seasonal contract fire fighters have assisted us thus far in meeting some of our responsibilities.

2.3 CORPORATE SERVICES

2.3.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Corporate Services in terms of strategic objectives (2007/2008)

Strategic Objective	2007/08 target	Actual achieved	Reasons for variance, if any
A clean, stable and productive administration instilling trust and confidence	Appointment of dedicated contract administrator.	100%	
Proper and up-to-date Information Communication Technology systems and processes	Present Information Communication Technology 5-year Master Systems Plan for consideration by Council.	100%	
Develop customer service aligned to world's best practice	Business plan for implementation of at least a pilot project	100%	
A well trained, motivated and professional workforce	Implementation of decentralised electronic workflow processes for Management of leave applications.	100%	
	Development and implement electronic workflow processes for Management of Recruitment and Selection.	0%	Business process will be developed in consultation with Strategic Services during 2008/09
Proper management of Council owned immovable property portfolio and vehicle fleet	Development of draft by-law/ policy on the management and administration of immovable council-owned property.	100%	Developed and presented to Mayco but not adopted by Council yet.
	Investigate need for central fleet management unit.	Function transferred to Civil engineering services	

2.3.2 OTHER PERFORMANCE HIGHLIGHTS

In 2007/2008 Corporate Services the primary focus was on change management. A range of business processes was successfully implemented. The leave management system, and new minute taking procedure was some of the business processes focussed on. For a short period of time hall management resorted within Corporate Services and a new booking system was developed on Collaborator for this purpose. A new department was established known as customer service and innovation. The first initiative was the roll out of Batho Pele. The IT department has also successfully launched a broadband project in partnership with the University of Stellenbosch. The benefits of this project should be seen in 2008/09. Land reform was also high up on the agenda and will be pursued during 2008/09. A number of leases/cessions were supported in this regard.

A Client Services

In terms of Client Services and Innovation, the following projects were initiated to improve services to our community:

Centralized Booking system for Municipal Halls

This project was initiated to improve the booking of Municipal Halls. The current situation was that a specific hall could only be booked at a specific office/location and created many frustrations amongst the public.

The Centralized Booking System makes it possible to book a Hall on collaborator system at any of the booking offices irrespective of the location of the Hall. It will also ensure proper management reports and correct fees charged and refunds of deposits. The system will prompt the user to the correct procedure.

As the function of Municipal Halls has since been placed with Social Development Services, it is anticipated that this Project will be fully implemented from the 1st of July 2008.

Workflow Process implemented on collaborator in terms of building plans

The Planning Directorate has fully implemented a workflow process on the collaborator system in terms of building plans which makes it easier to track any building application in terms of progress.

The Corporate Directorate has also been informed that Land use applications are in process to be captured on the Collaborator system.

Bio-Matrix Time and Attendance

This Project is currently piloted by Corporate Services, and more specific by Human Resource Management. Staff at Ecclesia Building is required to log on to the system by placing their index finger on a Bio-matrix reader. This system can also be linked to the Pay Day System when fully implemented. Proper time and attendance records are kept by the system. Due to financial constraints this project won't be introduced to the entire Municipality during 2008/09.

B Human Resources Management and Organisational Transformation

The department acts as a transformational change agent. The drafting of human resources (HR) protocol and the appointment of a new HR manager during the review facilitated the solution of the queries raised by the Auditor general. Specific successes are:

- the facilitation of a series of strategic engagements with Council, Mayco and senior management in order to review the strategic thrust of the organisation;
- the appointment of the Manager: Human Resources Management
- the redesign of the organisational structure
- appointments in line with EE numerical goals and targets
- the conclusion of an organisational rights agreement with the South African Municipal Workers' Union (SAMWU) and Integrated Municipal and Allied Trade Union (IMATU)

C Property Management

The department focuses on a new approach to land management to ensure the community at large can trust us to act as guardians to one of its biggest assets, nearly 2 700 hectares of prime land. Empowerment transactions are concluded and extensive negotiations are held in good faith to release land for allotments to small farmers for purposes of subsistence farming. The sale of land is conducted in terms of the Municipal Finance Management Act (MFMA) in terms of an approach that seeks to empower the previously economically disadvantaged.

A draft Property Management and Administration By-law is compiled, but due to Draft National regulations being promulgated, this process is put on hold. This department was also responsible for the relocation of the Civil and Electrical Engineering departments to the Ecclesia Building and the upgrading of other office space to cater for the support staff and full-time Councillors. This department is also instrumental in concluding Service Level Agreements with the Department Public Works, in terms whereof the Maasdorp and Meerlust now receives services from Stellenbosch Municipality.

A new section, Facilities Management, responsible for maintenance of Council-owned Buildings and Project Management of Capital projects on Council-owned land, has been transferred to Corporate Services, as part of the Property Management department. Within 8 months, this section was able to double the amount spent during the previous financial year on structural maintenance.

D Information and Communication Technology

The pilot broadband project already initiated is due for completion in the latter part of 2008. The belief is held that technology can drive the economy. ICT will not only support the 450 internal clients, but will eventually provide more cost-effective internet access to schools and community facilities.

E Legal

Numerous legacy issues occupy the department with litigation and issues pertaining to risk management. The results of sound corporate governance and proper contract management are, however, already observable. The resulting improvement of the control of outcomes and enhanced exposure management should save the Council some financial outlay. Specific successes achieved during the period under review were:

- the introduction of Dumping and Littering and Cemeteries by-laws is in progress.
- prosecutions for non-compliance. - Prosecutions for non-compliance are still ongoing.
- Litigation against De Cameron – Waiting for a court decision regarding the costs to be awarded to the Municipality.

Major Challenges

Governance Structure

A formal ICT governance structure needs to be put in place to ensure corporate management of ICT investments. This will improve collaboration and integration of services across departments *resulting in improved service delivery*.

Human Resources

Payday System fully functional. Payday scanning facility for approval of leave (sick certificates).

Property Management

Lack of progress regarding the development of a policy to effectively deal with Property Management. Although a Draft By-law/Policy was developed, for various reasons (be it politically or technically), this By-law/Policy has not yet been considered by Council. Until such time as this By-law/Policy is approved, all land transactions is considered on an ad hoc basis. The lack of policy is also hampering progress in dealing with land parcels (e.g. agricultural lease farms) available for allocation. Lack of a Maintenance Plan / inappropriate budget allocation for maintenance - Maintenance is currently done on an ad hoc basis and on the basis that only critical maintenance is attended to, due to the fact that the budget allocation is not linked to a long-term maintenance plan. This is clearly hampering the department in realizing its goal of delivering a proper maintenance function.

2.4 ELECTRICAL ENGINEERING SERVICES

2.4.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Electrical Engineering Services in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
An adequate, sustainable and safe supply of electricity to the communities of Greater Stellenbosch	Completed master plan with active projects	100 %	
	Completed maintenance policy with active plans	100 %	
	Work together with Corporate Services to develop a strategy to retain and attract scarce skills.	100 %	
	Populate approved micro design which makes provision for this function	100 %	100% within the financial resources allocated (Note: only 50% of positions filled due to funding shortages)
	Maintain losses to less than 10%.	100 %	
	Ensure that 5% of income is reinvested in maintenance and refurbishment in terms of NERSA guidelines.	N/A	Chief Financial Officer responsible for budgetary allocation
	<ul style="list-style-type: none"> Populate approved micro design which makes provision for this function. Develop rules of engagement. 	100 %	100% within the financial resources allocated (Note: only 50% of positions filled due to funding shortages)
	Engage with Drakenstein and Eskom with a view to taking over their customers in our area and develop SDA's were necessary	100 %	
	Engage Stellenbosch University and international partners with a view to identify possible areas of cooperation.	100 %	
	Establish forum to formalise cooperative agreements.	100 %	
Increase access to electricity	Identify backlogs with Integrated Housing Strategy (IHS)	100 %	
Minimise electricity losses	Populate approved micro design which makes provision for this function	100 %.	
	Maintain losses to less than 10%.	100 %	
	Draw on and implement international best practices and key learnings from other institutions.	100%	
	Approved micro design which makes provision for this function	100 %	
	Develop rules of engagement.	100 %	
	Engage Stellenbosch University and international partners with a view to identify possible areas of cooperation	100 %	
	Establish forum to formalise cooperative agreements.	100 %	
Investment in renewable energy initiatives	Initiate discussions with interested parties with a view to introduce renewable energy sources onto the network.	100 %	
	Engage Stellenbosch University and international partners with a view to identify possible areas of cooperation	100 %	
	Establish forum to formalise cooperative agreements.	100 %	

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Promotion of energy efficiency practices	Seek financial approval from Eskom and commence with project if approved	100 %	
	Do survey of all municipal facilities and identify energy efficiency opportunities.	100 %	
	Engage Stellenbosch University and international partners with a view to identify possible areas of cooperation	100 %	
	Establish forum to formalise cooperative agreements.	100 %	
Electricity Industry restructuring	Arrange presentation to Council on latest developments	100 %	
	Stay part of national debate.	100 %	
A well trained, motivated and professional workforce	Start training of first batch of Learners for SETA learnership.	100%	
	Identify suitable courses for other staff	100%	

2.4.2 OTHER PERFORMANCE HIGHLIGHTS

The Directorate: Electrical Engineering Services have achieved and exceeded various projects to improve on service delivery:

- Langrug, an informal settlement in Franschhoek was provided with bulk electrical services (provision for connections to the extent of 1300 were made),
- Automatic Meter Reading (AMR) equipment had been installed in more than 50% of the sites identified by the Directorate: Electrical Engineering Services.
- The average electrical losses were reduced from 8% to a mere 5.62%,
- Three new heavy duty vehicles were purchased that will improve response times to overhead infra structures,
- An Electrical Master Plan (EMP) was developed for the Bosdorp areas,
- An Electrical Revenue and Maintenance policy were develop and approved
- A Number of road shows were undertaken to educate communities on electrical matters, especially energy saving practices,
- A memorandum of understanding was established with the University of Stellenbosch to investigate alternative energy sources and energy efficient practices,
- The entire electricity tariff was restructured to comply with the regulations of the National Energy Regulator of South Africa (NERSA).

Electrical services provided, in summary

Electrical Engineering Services provided the following electrical services in 2007/2008:

- Number of households provided for the first time with a legal electricity connection 559
- Total electricity generated and/or purchased (in kWh) 380 557 221
- Total electricity supplied and metered (in kWh) 359 166 097
- Power interruptions: Number of electricity supply minutes lost N/A

Major Challenges

- Upgrade, refurbish and maintain the electrical network,
- Secure funding to achieve the above,
- Secure funding for a safe vehicle fleet to perform our mandate,
- Implement and promote energy efficient and alternative energy solutions to achieve 10% constraint required by ESKOM
- Attract and retain scarce skills
- Secure funding to populate staff
- Training of technical staff

2.5 FINANCIAL SERVICES

2.5.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Financial Services in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Financial viability and sustainability	Review and Implement budget and related policies	Budget related policies have been successfully implemented	
	Continuous monitoring and evaluation to ensure full adherence to service delivery and budget implementation plans	Submitted 12 Monthly and SDBIP monitoring reports for the financial year.	
	Implement electronic requisitioning system in all directorates	The first phase in terms of the training has been completed successfully. The integration between the financial system and the procurement system has been completed successfully to the extent that the database is operational which forms the basis for the electronic requisitioning system.	
Implementing all Gamap/Grap Accounting Standards	Implementation and compliance to all standards applicable to Local Government	Implementation Plan for the implementation of exempted standards compiled and submitted.	
Efficient and Effective Revenue Management	Value all properties in the municipal area and complete new valuation by year end	Fieldwork for the valuation of properties 100% completed. Preparation of electronic data for new valuation roll- 70% completed	
	Achieve 95% payment rates	95%	

2.5.2 OTHER PERFORMANCE HIGHLIGHTS

A Operating Budget

Spending and revenue collection (2007/2008):

Description	Budget 2007/8 (R)	Actual 2007/8 (R)	% Expenditure
Expenditure	470 221 350	458 646 594	97.54%
Income	470 221 350	501 160 118	106.58%
Income from grants, donation and subsidies		48 046 902	

The table above indicates the amount of spending and revenue collection during the period under review. Although the overall operational performance was acceptable, the overall economic conditions requires continuous meaningful solutions and strategic cash flow management linked to an effective indigent policy coupled with robust debt management strategies.

B Capital Budget

Capital Budget (2007/2008):

Description	Budget 2007/8 (R)	Actual 2007/8 (R)	% Expenditure
Basic	54 321 000	50 287 136	92.57%
Ad hoc	50 305 160	36 882 496	73.32%

C Free Basic Services

During the period under review, almost 9 200 households benefited from the provision of free basic services. The services consisted of the following monthly allocations:

- six kilolitres of free water
- fifty units of free electricity
- free sewerage
- free refuse removal
- a full property rate rebate to a maximum valuation of R60 000.

The monetary value of the assistance amounted to R 17 275 599 million during the year under review.

Major Challenges

Budget Office

Improving on existing and establishing all new legislative reforms and reporting. Implementing of new accounting standards and structures. Continuous implementation of internal control.

Treasury Office

Expenditure

Conform and reform payment management to comply with legislative requirements.

Revenue and Valuations

Implementation of the new property rates act and ensure effective and efficient credit control management. To provide free basic services to indigent consumers and awareness of indigent subsidy, linked to consumption management and water losses.

Supply Chain Management

Implementation of an effective and well managed electronic procurement system as well as stricter monitoring of bids and quotations.

2.6 INTEGRATED HUMAN SETTLEMENTS

2.6.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Integrated Human Settlements in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Building Integrated Human Settlements -			
• Efficient housing management:	Council approved housing management policies	90%	Absence of Portfolio Committee Meetings during the latter half of 07/08 reporting year
• Electronic housing demand database (waiting list)	Extension of present electronic housing demand database with links to the Department of Home Affairs and National housing subsidy system.	75%	Lack of funds to appoint an independent service provider to do an audit of all municipal waiting lists and creation of necessary IT infrastructure
	Establish rural and farm workers housing need	0%	Focus has been on urban housing needs
• Accelerated delivery of new housing opportunities	600 housing opportunities -	60%	<ul style="list-style-type: none"> Portion of Watergang housing site invaded. Unforeseen geo-technical conditions requiring a re-specification of foundations. Loss of staff. Inclement weather. Additional NHBRC Requirements
	• Projects must be directed at creating employment opportunities through the Expanded Public Works Programme	Complied	
	• Minimum of 5 % of contract value must be given to women headed developers & contractors	Complied	
	• Council funding to augment subsidy funding R3m per year	Complied	
• Residential revitalization	Council approval of 3 business plans of selected projects	100%	Strategic Development Framework approved by Council
• Informal settlements upgrades	Completion of status report of all informal settlements	100%	
	Provision of basic services to all informal settlements	90%	Un-serviced informal settlements on privately owned land
	Approval of business plans for selected projects.	100%	UISP approved for Langrug & Watergang Phase 1
• Provision of middle income housing opportunities (GAP housing)	Approval of 3 sites for GAP Housing	100%	
	Development of RFP's for the development of sites	100%	
	Establish PPP's with financial sectors for the development of sites	-	Development of sites suspended
• Establishment of emergency housing areas (MLSA)	<ul style="list-style-type: none"> Identification of suitable land Council approval of 3 sites Approval of business plans for development of sites PGWC approval of projects 	-	Inability of Directorate Planning to identify land suitable for this purpose
• Updating of State and Council owned land audit in the municipal area	Completion of land audit update	-	Core responsibility of the Corporate Services Directorate
	Transfer of PGWC & District Council owned land to Stellenbosch Municipality	-	Negotiations with Winelands District Municipality and PGWC are ongoing

2.6.2 OTHER PERFORMANCE HIGHLIGHTS

A Housing Administration

- A Rule *Nisi* for the eviction of persons who illegally occupied Erf 1406 was handed down by the Court on 16 August 2007. Court order has not been implemented as Council attempted to handle matter in a more humane matter.
- Surveys were conducted of all Municipal rented units to determine whether any breaches of lease agreements were taking place and four units that were being occupied by unlawful subtenants were vacated as a result of this intervention. This is an ongoing process and is done on an episodic basis.
- A total of 11 public rental units that became vacant during the reporting period were allocated to persons on the waiting list. Despite the great demand for housing the number of vacancies is few and far between.
- Members of staff attended the following housing related training courses:

Housing Consumer Education Training: Train the Trainer Course	2 persons
Orientation to Housing	2 persons
Advanced Project Management Course	1 person
- All the members of staff underwent training in the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998.
- A procedure was developed for management of cases of unlawful occupation of land so as to ensure that matters of this nature are handled procedurally correctly.
- The following surveys were undertaken during the reporting period in formal and informal settlements:

<u>Areas</u>	<u>No. of structures</u>
Snake Valley	997
Jamestown	33
Klapmuts (Mandela City, La Rochelle, Scoopies Hoogte)	252
Cloetesville	194
Kayamandi	146
Langrug	1800
Idas Valley	600
Maasdorp	20
Meerlust	38
Kylemore	200
Pniel	10
La Motte	101

- Monitoring of Informal Settlements: Informal Settlement areas are being regularly monitored and the Department was successful in ensuring that a total of 156 unoccupied and partial structures that were in the process of being erected were demolished in the following areas: Klapmuts, Devon Valley, Cloetesville, Jamestown, Langrug, Idas Valley, Kylemore and Pniel. The number of demolitions do not include demolitions where the Department assisted the Directorate Community Safety and "The Red Ants" in carrying out demolitions in Kayamandi.

B New Housing

- Strict adherence to the NHBRC minimum requirements in the Watergang project significantly improved the quality of houses delivered. The project has been found to conform to the Breaking New Ground principles and NHBRC standards in regard to above average quality. The value of Phase I is R36.5 million. At the launch of the project the MEC for Local Government and Housing lauded the municipality for its innovative design and land-usage.
- Approval was granted in May 2008 by the Department Local Government & Housing for the completion of preliminary planning for the upgrading of the Langrug Informal Settlement.
- 100% expenditure of the capital budget allocation received from the Provincial Government Western Cape.
- The Department made great strides in inter-municipal relations by forming a service delivery partnership with the Hessequa municipality and the Winelands District Council.
- The Department achieved compliance with the requirements of the Record of Decision for Watergang Phase I.
- Development proposals for the provision of mixed use housing were called for in respect of the following sites:
 - Franschhoek Erven 412, 368 and 217;

- Jamestown Portion G, H & K of the Farm 527, Stellenbosch
- Idas Valley Erven 10866 – 11008;
- Idas Valley, Remainder of Erf 11330;
- Klapmuts, Erf 342.
- The launch of the medium income housing project on land situated in the central district of Franschhoek is a glowing example of shelter provision within the parameters set by the Breaking New Ground policy document, as it can be seen to be integrating communities on both a social- and economic level.

C Special Projects

- Researched opportunities for generating external funding for capital projects in the municipal area.
- Assisted in the launch of the Watergang Housing project.
- Assisted New Housing with surveys and needs assessment in Digteby Farm (Vlottenburg) and Pniel with respect to the envisaged housing developments.
- Completed individual assessment of 44 houses in Klapmuts (Veldsman Houses).
- Assisted National Department of Housing with the launch of the Industrial Road Show “A REAGENG MZANSI” in Stellenbosch.
- Training courses attended by Development Officers:

○ Housing Consumer Education (Train-a-trainer)	3
○ Mentoring (Housing Consumer Education Trainees)	2
○ Facilitation skills	3
○ Fire-marshalling	1
○ Introduction to computers	3
○ Microsoft Word	1
○ Collaborator – requisitions	3
- Provided support service to the Provincial Government Western Cape in arranging the Presidential Imbizo in Pniel.

Major Challenges

The following issues manifested themselves as serious challenges and constraints to successful service delivery for the reporting period.

Sub Directorate : Housing Administration:

- Inadequate funding to address much needed repairs and maintenance of public rental housing units.
- Inadequate funding for the appointment of a service provider to perform an independent audit of all Municipal Waiting Lists and the development of an electronic Housing Data Base.

Sub Directorate : New Housing:

- The lack of an approved Spatial Development Framework for WCO24 has to a large extent inhibited the search for suitable land for Housing development.
- Delays in getting statutory approvals from Provincial Government Departments have been a major cause of delays in project implementation.
- Community dynamics such as an invasion of a project area has limited the ability of the contractor in the Watergang Phase I project from completing this project.
- Housing legislation governing the supply of housing is in many ways too restrictive and does not allow for pragmatic application.

Sub Directorate: Special Projects:

- The lack of commitment from the public to attend Housing Consumer Education training, notwithstanding door to door visits to encourage participation is cause for great concern. Taking up occupation of a new subsidy housing unit should be made subject to the new owner having completed a course in home consumer education.
- Because of insufficient funding Housing Consumer Education has been limited to new home owners only. With additional funding, Housing Consumer Education could also be extended to all users of Municipal rental stock as well.

2.7 PLANNING AND ENVIRONMENT

2.7.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Planning and Environment in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Facilitation and promotion of sustainable (triple bottom line) development.	<ul style="list-style-type: none"> • Council approval of the SDF and at least four priority planning initiatives • Compile a comprehensive program of planning and implementation over the next 5 years 	Draft Spatial Development Perspective	A draft spatial development perspective (SDP) was instead prepared through the rapid planning process as it became obvious that preparation of the SDF was indeed going to be time consuming and a quick framework had to be produced to guide investors and developers.
	Complete the zoning verification process, alignment with the SDF, zoning conversion and get the first draft to Council for approval to embark on community participation	Draft Integrated Zoning Scheme was submitted to Council for approval to conduct the public participation process. Once the Heritage register is complete, the draft document will be advertised	
	Finalize the framework within which the revitalization of Kayamandi, Cloetesville and Klapmuts will be undertaken	The SDF for Klapmuts was finalized and submitted to Council for approval. The plan to for the revitalization of Kayamandi and Cloetesville is progressing under the management of Integrated Human Settlement	
	Get Council approval of draft advertising policy and sidewalk street trading	The draft advertising Policy was completed and submitted to Council whilst the sidewalk street trading policy is scheduled for the next portfolio committee meeting in August 2008	The advertising policy has been held as an outstanding item on the Council agenda whereas the sidewalk trading policy was subsequently done in house and took longer than would have been the case had we employed consultants
An improved and predictable decision making environment with the delegations system linked to Council spatial policies	85% of land use applications to be processed within the statutory time	Between January and June 2008, the Directorate finalized 89% of all land use applications that were live in the system	The month to month collation of statistics has been made difficult due to lack of an electronic tracking system. The recently completed collaborator module will make periodical reporting easier and more accurate
	90% of all building plans to be processed within the statutory time frame	As of June 30 2008, 70% of building plans submitted were being finalized within the statutory time frame	Staff turnover contributed to delays in finalizing building plans as less and less staff had to deal with more plans. The vacant positions were subsequently filled and the situation should drastically improve in the next reporting period

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
	Standardized process with very little handovers	A number of correspondence and systems are currently being standardized. Land use and building plan tracking modules for collaborator were completed and are currently being implemented	
A culture of respect and compliance with Council's policies, building and zoning scheme regulations	Prepare a draft strategy for Council's approval to advertise	None	Lack of legal capacity to draft a legally robust enforcement strategy. Initiatives to create a separate enforcement section and or outsourcing a component of the enforcement process are currently underway
A well trained, motivated and professional workforce	<ul style="list-style-type: none"> Send all Supervisory staff on performance management and customer care training. Conduct customized workshops on systems, process as well as technical assessments 	Some of the staff members have been sent on report writing, project management and leadership courses that have equipped them with better skills to discharge of their duties	Due to funding and operational requirements, not all staff could be sent on training. However, staff training is a continuous process which is mainly needs driven

2.7.2 OTHER PERFORMANCE HIGHLIGHTS

The Directorate of Planning and Environment primarily focused on addressing the internal systems and workflow processes, as well as on addressing some urgent strategic development initiatives, resulting in a concerted effort being made to process re-engineer the operational systems, standardise documentation, create a one-stop shop for building plans processing, as well as initiate a consistent and uniform land use and building contravention enforcement system. It should be noted that the process re-engineering initiatives resulted in improved productivity and short turnaround times for both land use applications and building plan applications.

Parallel with the internal process re-engineering, the Planning and Environment Directorate finalized some strategic spatial planning initiatives and also initiated some land use management policies. The Spatial development frameworks for Koelenhof and Klapmuts were completed and submitted to Council for approval, whilst the Spatial Development Perspective was presented to Mayco for a recommendation to Council for approval. Furthermore the Directorate is also completed the long-awaited draft by-law aimed at regulating outdoor advertising, the draft public participation policy for land use applications, the draft student accommodation policy, the draft outdoor dining and sidewalk trading policy, the draft bylaw on boundary walls as well as the draft Integrated Zoning Scheme (IZS). Most of these draft documents will be advertised for public comment during the second quarter of 2008/2009 financial year.

The Planning and Environment Directorate continues to strike a balance between dealing with operational matters and initiative long term strategic interventions in the management of the natural and built environment. The serious attention that has been devoted to process re-engineering has seen a streamlining of processes resulting in efficient staff utilisation and increased productivity.

Major Challenges

The major challenges that the Directorate faced pertained to high turnover of Senior and experienced staff and the inability to replace them with equally experienced staff. This meant that some of the targets took longer to achieve than what was originally anticipated as less experienced staff were assigned to deal with more complex tasks. Furthermore, as part of capacity building and staff training, some of the projects that were earmarked to be done via consultants were actually done in house thereby taking longer to complete than what was anticipated.

In drafting the terms of reference for the SDF for the WC024 area, it was imperative that the Municipality and the Provincial sphere of government agree and align the various planning initiatives that are taking place around the WC024 area. Thus, it was critical that the terms of reference for the WC024 SDF fully encapsulate the District and Provincial planning initiatives as a first step towards the production of a credible SDF.

2.8 SOCIAL DEVELOPMENT SERVICES

2.8.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Social Development Services in terms of strategic objectives (2007/2008)

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
Establishment of an effectively managed new Social and Human Development Department	Compile a social development strategy together with partners and public	100%	Strategy was developed and communicated to all role players for input. The strategy was then presented to standing committee in April 2008.
	Appoint Social Development Officer	100%	
	Clarify the role of Municipality with regards to Provincial focus areas	100%	
	Conduct thorough needs assessment of current situation in terms of focus areas within the Greater Stellenbosch	100%	The Municipality is constantly networking with social partners and the community to ensure that we stay on top of the latest needs
Care for people living on the streets	Municipal night shelter operational and well-functioned	100%	
Social development of youth	National Youth Services (NYS) from July – Dec 2007 in partnership with the WC Youth Commission and SM Youth Council	-	NYS retracted the programme
	Assisting child-headed families from Jul 2007 – April 2008 in partnership with WCYC	-	Youth Council function
	Alleviating crime through project done in conjunction with the Provincial Dept of Community Safety and Bambanani Volunteers	-	Youth Council function
	Establish 3 Youth Focal Units (Kayamandi, Pniel and Groendal)	90%	Established partnerships with the following in order to deliver on this target: Kayamandi (Prov Dept Social Development), Pniel (Strategic Services) and Groendal (Dilbeek). All sites were identified and agreements reached in terms of service delivery. All 3 are almost fully operational.
Economic development of youth (sustainable poverty alleviation through job creation)	Conduct a skills audit and establish a database of all qualified youth in partnership with University and Stellemploy	100% of planning done. Execution in 2008/2009 financial year	Database was launched just after the start of the next financial year.
	Partner with HR (internally) and University and businesses (externally) to assist youth with employment opportunities	100%	Done through YFU's. Ongoing.
Greening the Greater Stellenbosch in a sustainable manner	Plant 400 x 50kg bagged trees to fill in gaps in avenues, arboretum, etc in Greater Stellenbosch & satellite towns	Planted 500 trees	
	Donate trees to rural areas and townships for planting on residential properties, as pavement space is limited (Kayamandi, Langrug, La Motte, Groendal). (Adopt a tree)	Done	
	Implement a tree management plan	In Progress	
	Plant trees at sports facilities in view of 2010 World Cup	In Progress	
	Implement the Tree Protection Policy	Commenced	
	Investigate other tree watering means than the vehicular system currently in use	Done	

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
	Greening of cemeteries Greening of parks Extend borehole reticulation system, combined with a study to determine existing ground water levels	Done Done In Progress	
Creating partnerships on with all levels of government and strengthening internal partnerships	Develop and maintain partnerships with private sector, professional organisations, Western Cape Arborists Association (networking) and other governmental institutions, e.g. DWAF to stay informed	Functional	
Improve garden & tree maintenance to acceptable horticultural/ arboriculture standards	Adhere strictly to the fortnightly garden inspection sheet to determine priority maintenance areas Sow seeds in situ to large flowerbeds: Kayamandi wall flower bed; R44 flower beds Plant colourful "vygies" along main routes to gaps in flowerbeds Reduce vandalism by improving, beautifying and maintaining a minimum standard Annual composting & mulching programmes Complete Adam Tas Road landscaping	Functional Completed Completed Completed and functional Functional Completed	
Sustainable practices	Chipping of usable waste material for re-use in gardens & around trees Recycling of waste paper generated from office Use of environmentally friendly products such as herbicides, pesticides and fertilisers	In progress In progress In progress	
Sustainable Natural Environment	Realise budget for timber sales Complete eradication of aliens Papegaaiberg and burnt area Paradyskloof (first operation), start with Idas Valley and Botmaskop areas Improve facilities in picnic area: Internal road, benches and braai rings Jan Marais and Mont Rochelle Nature Reserves: Marketing for better public use Papegaaiberg: Address dumping and other undesired elements Start with re-establishing of renosterbos and fynbos subject to planning process Update SEMF	Budget attained Projects completed as planned. Projects did not commence Meetings were held with interested and effected parties Visible Law Enforcement was increased. Project in progress In progress	No funding.
Provide parks and open spaces for the benefit, enjoyment, health and well being of residents of and visitors to the Greater Stellenbosch	Subject to zoning, develop parks in: Meerlust	Project did not commence	Zoning not done yet.

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
	Ablution and office facilities: Groendal	Done by Conservation Management Section	
	Extension of parks store facilities: Franschhoek	Completed	
	Fence and shade nets at nursery: Franschhoek	Completed	
	Replace wooden play equipment	Completed	
	Bollards around public open spaces	Completed	
	Replace drip irrigation with pop-up irrigation. (Specific areas to be confirmed on budget approval)	Completed	
Rehabilitate the riparian zones within the Stellenbosch Municipal Area: • Berg River • Stiebeuel River • Eerste River • Plankenbrug River • Kromme River • Dwars River • Blaauwklippen River • Wemmershoek River • Bonte River • Du Toits River and any tributaries	Formulate a business plan for the maintenance of all rivers	Draft completed	
	Effective co-operation with newly established river committee	Functional	
	In conjunction with new Cleansing Department formulate 3 monthly maintenance plans	Functional	
	Focus the attention of Law Enforcement to sharpen enforcement of: vagrants, illegal pumping and littering	Functional	
	Limit destabilisation of riverbanks with gabions and bollards in liaison with Engineering Services	Completed as planned	
	Place enough litter bins and benches	In process	
	Promote efficient co-operation with Civil Engineering Services for hydrology	Functional	
	Place bollards to reduce bank destabilisation	Completed	
A clean and attractive Greater Stellenbosch	Establish the new section (budget, employees, management, equipment)	Section established	
	Effective cleaning of CBD's, hot spots, rivers, town entrances and main tourist routes	Ongoing	
	Develop partnerships with business, the university and other stakeholders to take ownership of the challenge	Waltons Stationery donation of 500 recycle bins in each office	
	Clean-up campaign first week of Sept 2007 (Arbour Week). Media, schools, provincial government, District Municipality, all staff, education programs)	Completed	
Accessible (well-maintained) public amenities	Manage the process for the extension of burial facilities in Greater Stellenbosch	Phase 1 report submitted to Council	
	Upgrade internal roads of PapEGAIBERG Cemetery	Completed	
	Plant 50 indigenous trees in each cemetery	160 Trees and shrubs were planted	
	Install second phase of fencing at PapEGAIBERG Cemetery	Completed	
	Prioritise removal of dead trees according to operating budget	57 Trees were removed	

Strategic Objectives	2007/08 target	Actual achieved	Reasons for variance, if any
	Installation of electricity Groendal and Pniel ablution facilities	Electricity installed at Groendal; Pniel to be done in 2008/09	Actual cost exceeded budget
A well trained, motivated and professional workforce	Annual educational excursions for employees	Done	
	Identify courses, workshops & service providers	Done	
	<ul style="list-style-type: none"> • Assertiveness training • Productivity training • Time management courses 	Courses were attended by employees	

2.8.2 OTHER PERFORMANCE HIGHLIGHTS

A Cleaning and Greening Services

Cleaning Services

On the 1st of July 2007 the Cleaning Section was transferred to the Directorate Social Development Services from Civil Engineering Services and the function of Area Cleaning was aligned with the cleaning of parks, public open spaces and rivers. The Head Cleansing was appointed on 1 November 2007.

- Area Cleaning Business Plan
 - An Area Cleaning Business Plan was compiled and submitted to Council for approval;
 - Valuable partnerships were formulated with 10 farm owners, the university and business eg Waltons;
 - Waltons Stationery donated 500 paper bins for office recycling;
 - 200 Refuse bins were purchased and installed in critical areas in the CBD's and suburbs in the Greater Stellenbosch.
- A by-law for the prevention of illegal dumping and littering was compiled and was submitted to the Standing Committee in March 2008. This document is still in a draft format and still needs to be approved by Council.

Sport Development and Maintenance

- Sports facilities at various municipal venues were upgraded and developed at a cost of R2.3 million capital expenditure.

Parks and Rivers

- New parks were developed in Kayamandi (Vineyard Street), La Motte, Mooiwater and Groendal.
- A total of R80 000 was spent on the installation of playground equipment on parks in Kayamandi.
- During the Clean & Green Campaign in September 2007 the following rivers were cleaned: Stiebeuel River, Plankenbrug River and Kromme River.
- Phase 1 of a comprehensive, sustainable cleaning project was completed for the Stiebeuel River en Groendal.
- Concrete bollards were planted along the Kromme River to stabilise the river banks, from Ryneveld Street up to Bird Street.
- An internal River Committee was established whose main function is environmental education in communities.
- The old wooden playground equipment at Irene park, Die Boord and Brandwacht was replaced with slides and swings.
- The maintenance program of parks and public open spaces of between 6 to 8 weeks was reduced to once a month.

Urban Greening and Beautification

- An irrigation system was installed at Franschhoek nursery.
- Installation of irrigation system at Kayamandi corridor and Ida's Valley library was completed.
- The municipal nursery in Stellenbosch started with a mulching project by recycling all garden refuse.

- 500 Trees were donated to residents of Langrug, La Motte, Groendal, Kylemore, Cloetesville, Ida's Valley and Kayamandi.
- 500 Trees were planted on our road reserves, parks and sports fields.
- A special Oak tree maintenance program was compiled and updated.
- At the Watergang Housing Project 30 trees were donated to the residents of new houses as part of our "adopt a tree" project.
- Oak trees were donated to the community during the Stellenbosch Festival to promote our Oak Heritage in Stellenbosch.
- A vegetable garden, in partnership with the community of Franschhoek was established.
- A community garden in collaboration with the residents of Kudu Street, Cloetesville was established.

Nature Conservation and Environmental Management

- A field ranger was appointed in this section.
- Mont Rochelle Nature Reserve in Franschhoek - various upgrades took place eg upgrading of access roads.
- The draft development plan for Papegaaiberg was completed.
- The first Extended Public Works Program (EPWP) project within our directorate was completed at Mont Rochelle Nature Reserve to the value of R100 000. Approximately 32 unemployed people from Groendal and Langrug benefited from this project.

B Social and Human Development

Libraries

Provincial Conditional Grant

Additional funding are available from the Provincial Department for the appointment of 6 contract library assistants (one at each library) to improve service delivery and assist with staff shortages.

Rural outreach

A satellite library was opened in Groendal in the rural community of Franschhoek in partnership with Exclusive Books and the Franschhoek Literacy Festival. A site for a Library at Klapmuts is still under discussion. Support was promised from Provincial Library Services (CPLS) for stock availability.

Displays

Monthly displays are mounted to promote currently held stock (consisting of books, CDs, videos, DVDs, magazines and newspapers), reading and important international days, like World Aids Day and Woman's Day. Such displays are much enjoyed and appreciated by the public.

Library Week

The Municipality once again held a very successful Library Week during March 2008. The main objectives of this week were to promote, firstly, the use of public libraries and their services to all the Greater Stellenbosch area inhabitants and, secondly, the provision of library material to foster a reading culture. The week is a highlight at all six libraries within the Greater Stellenbosch Area.

Holiday programmes

During June, September and December holidays, the libraries provided educational programmes to entertain and inform young library users. The programmes included puppet shows, face painting, arts and crafts, colour-in competitions, drama, magic shows and storytelling.

Storytelling

Once a week, stories are told to attending crèches, nursery schools and pre-primary schools in the area, who appreciate the opportunity to listen to such tales.

Old age homes

Twice a month, the Library personnel visit nine old age homes in the area in order to exchange books. The visits are well received by the senior citizens at such homes.

Vulnerable Groups

The following six vulnerable groups receive special care and attention in line with National and Provincial guidelines:

Gender

Women's day activities at the Van der Stel Sport Hall on 7 August 2007 for employees and Councillors of the Municipality were hosted with a topic focussing on the empowerment of women with regard to their physical wellbeing.

Self defence classes for “*No Violence against women and children*” were hosted with an internal and external focus. We also established an Internal Gender Committee to look at the issues relating to gender within the Municipality and took part in the drafting of a provincial gender policy.

Elderly

The Greater Stellenbosch Elderly Forum was established in April 2008. This forum has given a platform for the elderly to voice their concerns directly to the service providers.

Children

Early childhood development (ECD) is seen as one of the biggest areas of impact when considering human development. The highlight was the establishment of the Kayamandi ECD Forum. The other important highlight is the meeting between the Municipality and the Provincial department of Social Development where we agreed to work together and share programs. Through all the holiday periods we hosted holiday programmes as part of the Dilbeek programmes in Franschhoek.

People living on the streets

The Municipality built and opened a Municipal Shelter in Tennantville in August 2007. It is managed by the Stellenbosch Night Shelter as a service provider, but all operational costs are covered by the Municipality. This shelter enables the Municipality to enforce its by-law preventing people from dwelling in rivers, public open spaces and streets. There is good cooperation between all service providers resulting in a good service. Greater interaction between the stakeholders in this area led to a joint plan of job creation car wash programs being identified.

Youth

Leadership Development for youth forums was done in 2 sessions during this financial year. One in collaboration with Koinonia in Ceres and one focusing on the building of values through an activity based programme with the Batebouer Network. Youth forums now exist in the following areas: Kayamandi, Klapmuts, Cloetesville, Franschhoek, LAP Land (municipal flats) and starting in Kylemore. During Youth month we focussed on moral regeneration (16 June) and highlighting the xenophobic attacks through poetry led by the Cultural Forum. We have started with the establishment of a Jeugfabriek in Franschhoek to deliver on the Dilbeek agreement. As part of this we just started with the recruitment of a fieldworker in order to run the project. To this avail we have also established the Dilbeek Committee through which the projects will be rolled out.

Substance Abuse

The establishment of the substance abuse forum is also a highlight. It also brings about partnership between the service providers and all spheres of government in the fight against drugs. We have also trained 25 volunteers as lay counsellors as part of the Dilbeek programme. These lay counsellors are intended to run support groups in their respective communities for people struggling with substance abuse.

HIV/Aids Health Forum

Establishing community forums and aligning them with the clinic structures and ward health reps in order to create better communication channels through which the community have better access to issues relating to health services. Areas already dealt with include: Cloetesville, Kayamandi, Groendal, Klapmuts and Franschhoek.

C Municipal Amenities and Facilities

On the 1st of April 2008 the Department: Municipal Amenities and Facilities was transferred to the Directorate Social Development Services from Community Safety. The Head was seconded with effect from 1 April 2008.

Major Challenges

Shortage of resources

- **Staff:** My directorate has 103 unfunded positions on our approved micro. This is not unfilled, but unfunded and much needed. We received numerous new challenges and functions without any additional staff and we received at least eight new sports fields, new halls, cemeteries and public open spaces previously managed by the District, without any staff component. The staff shortage in Municipal Amenities and Facilities is severe.
- **Vehicles:** We have a shortage of vehicles in our department of Social and Human Development. They operate with two vehicles only. These vehicles must be used by all six libraries to do visits to old age homes, reach out to rural areas and attend conferences and meetings as well as the social development officers and field workers. If the vehicles are booked, then the social development officers are office bound (something that is unacceptable).

- **Resources:** There will never be enough money for all our plans, but the budget for Social and Human Development in particular is not nearly enough to support Council's aim and vision towards social and human development.

Vandalism

The Municipality is constantly losing assets and money due to vandalism. This includes illegal and forceful entry to nature reserves and parks, the breaking of refuse bins and grave stones, vandalism on sport fields and breaking of trees and plants.

2.9 STRATEGIC SERVICES

2.9.1 PERFORMANCE ON INTEGRATED DEVELOPMENT PLAN TARGETS

Achievements of Strategic Services in terms of strategic objectives (2007/2008)

Strategic Objective	2007/08 target	Actual achieved	Reasons for variance, if any
Strengthen community participation and create greater awareness of the IDP thereby increasing social and human capital in our communities	Community participation Strategy involving all stakeholders	<ul style="list-style-type: none"> Draft Community participation Strategy (refined and updated) Provincial and National Workshops (Framework for Public Participation) 	Awaiting Council approval for Draft Community Participation Strategy
	Workshop with all stakeholders to strengthen participation and optimise the role of the ward committees	Ward Plan workshops with CDW's & Ward Committees	Workshop with councillors postponed
	Database of all non governmental organisations and community based organisations	100%	
	Customer Satisfaction Survey	Internal alignment adhered to in terms of Customer satisfaction - and Call centre project	Municipality was to partner in a Provincial- and District wide Customer Satisfaction Survey
	Clear targets for Community participation events	80%	Investigate mechanisms to strengthen the role civil society plays in community events
	Ensuring adequate support in terms of administrative and logistical functions of ward committees	100%	
	Proper support & monitoring mechanisms in place	100%	
	Clear reporting lines for lodging of comments from the public	100%	
	Investigations into electronic system to capture and streamline communication from public and the community – better utilisation of Collaborator	75%	Limited buy-in from the organisation with regard to the use of Collaborator
	Better turnaround times for feedback to communities through ward councillors	100%	
	Clear capacity building programme for implementation with other government spheres (District & Province) and directorates	Informal capacity building programmes	<ul style="list-style-type: none"> Establishment of Youth Forum (Kylemore) Anti-drug campaign (Jamestown & Kylemore)
	Clear action plan with deliverables for CDW's	Regular monthly reports based on agreed work plans	Absence of Head: Community Participation
	Regular monitoring and performance tracking	100%	
	Training in Community Based Planning techniques	Training provided by PGWC (ward-based planning for community participation officials & Community development workers)	
	Development of 1st round of ward based plans linked to neighbourhood revitalisation plans	100%	

Strategic Objective	2007/08 target	Actual achieved	Reasons for variance, if any
LED Strategy and Policy Formulation and Development	Council approval of the LED Strategy	90%	Final draft completed. Engagement with councillors and Council approval outstanding
	Compile a comprehensive program of action and implementation plan for the next five years with measurable targets.	100%	Program to be informed by a Council approved Strategy.
Broaden economic participation through BBBEE, SMME Development and Land Reform	Council approval of BBBEE Strategy	100%	
	Establish 3 mobile Business Support Centres	100%	
	Assist 300 entrepreneurs	100%	
	Establish 2 key sector clusters in the local economy	70% - Tourism 50% - Agriculture	Tourism – and
	Ensure the sustainability of the Kayamandi Economic Tourism Corridor	70%	Occupancy rate at 70% 2008/2009 Budget approved Launch of Corridor 31 October 2008
	Develop a business plan for Erf 412, Franschhoek	N/A	Project moved to the Directorate Integrated Human Settlement
Increase the number of economic opportunities and widen participation in a robust diverse economy	Develop a feasibility study and funding proposal for a Small Farmers Support Centre	75%	Partnerships been formed with the Provincial Department of Agriculture and Land Affairs. A pilot with a group of Small Farmers has been established.
	Council approval of marketing and investment strategy	–	No funding secured
Increase economic ownership through second economy interventions	Create 560 Expanded Public Works Programme jobs	34% (189 jobs created)	Not enough projects in the Municipality lends itself to labour intensive projects.
	Create 36 new and sustainable enterprises	70%	Lack of access to finance collateral and rental space
	Promote sustainable rural livelihoods	50% (Assistance to small farmers and access to business support services to rural dwellers) by means of Rural Business Development Voucher)	Lack of land available for small farmers and rural entrepreneurs

2.9.2 OTHER PERFORMANCE HIGHLIGHTS

A IDP and Strategic Programmes

- The revised IDP was approved by Council on 27 May 2008.
- An IDP DVD was produced, which gives a comprehensive overview of the IDP process and can be used as a training manual for ward committee members and the general public.
- An interactive CD was produced and made available with the approved document.
- The system of performance monitoring and evaluation was refined and rolled out for the Municipal Manager and Section 57 employees
- The KPIs and targets for the Municipal Manager and Section 57 employees were reviewed and finalised.

B Strategic Support

- The website was updated regularly and the development of a totally new website is well advanced.
- A draft communication strategy and a communication plan were developed.
- An effective and efficient media liaising service was provided.

- Marketing and promotion of different Departments, within the municipality, by means of an internal and external newsletter.
- Development of ward Plans for all 19 Ward Committees.
- Intergovernmental events: Hazardous waste event in cooperation with PGWC (March 2008).
- Effective and efficient support in hosting international delegations was provided.

C Local Economic Development

Expanded Public Works Programme (EPWP)

The Expanded Public Works Program created 189 income generating opportunities. A partnership was forged with the internal and Department Social Service and the Work for Water Programme to remove alien vegetation in the Franschhoek area. Sixty people participated and benefited from this project. Housing created 119 job opportunities. The most enriching experience was the Skills Development Project which was done in partnership with the Maintenance Department. Ten unemployed youth was trained in an accredited Basic Home Building Programme. Only five completed the programme and will soon participate in further training with the assistance of the Directorate Integrated Human Settlements in this programme.

Tourism and Tourism Development

A lot of movement took place in the Tourism Section. A Tourism Officer was appointed in January 2008. For the first time the Stellenbosch Municipality had a dedicated person responsible for Tourism. This was evident in the numerous activities that took place during the second half of the 2007/08 financial year. Two officials attended the Indaba 2008. A DVD was produced of all the Homestays in the Greater Stellenbosch which was also showcased at the Indaba 2008. Tourism Awareness workshops were held throughout the Greater Stellenbosch. An Integrated Tourism Strategy is near completion.

Strategy Formulation and Development

As part of the formulating of the Local Economic Development Strategy the Local Economic Department engage various stakeholders from ward committees to business organisations, sector organisations NGO's, faith based organisations and youth structures across the Greater Stellenbosch. A draft Local economic Development has been completed and will serve soon before Council.

Kayamandi Tourism Economic Corridor

With internal funding a Projects Management Company has been appointed to operationalise this facility. Engagements with numerous private sector companies to partner the municipality in this endeavour delivered limited success and reinforced the idea to keep on engaging private companies while working towards financial sustainability. The first round of advertising for the leasing of space took place.

Major Challenges

Major Challenges experienced by Strategic Services during the 2007/2008 financial year can be summarised as follow:

- No budgetary provision made to conduct a Customer Satisfaction Survey & Community Participation Survey
- Non-appointment of critical positions

Public participation processes for the different strategies of directorates need to take place in such a fashion that the different strategies create better synergy for service delivery and the growth of the local economy.

Despite the immense progress that has been made in terms of LED, there are several challenges to be overcome in order to achieve greater deliverance on local economic development objectives.

There is a need for better co-ordination and formalisation of activities and objectives of different directorates and departments that have a direct impact on the delivery potential of programmes like land reform and the Expanded Public Works Programme.

The staff establishment of the department is currently three people which cover the whole municipal area and the lack of sufficient program funding impacts negatively on the identification and implementation of projects.

Despite administrative procedures and compliances which are being followed, organisational, political, and stakeholder buy-in, remains to be an impediment. Political transition within the organisation also makes it difficult to maintain strategic continuity in the IDP, if it is not managed effectively (both administratively and politically).

CHAPTER 3

Human Resources and Organisational Management

3.1 INTRODUCTION

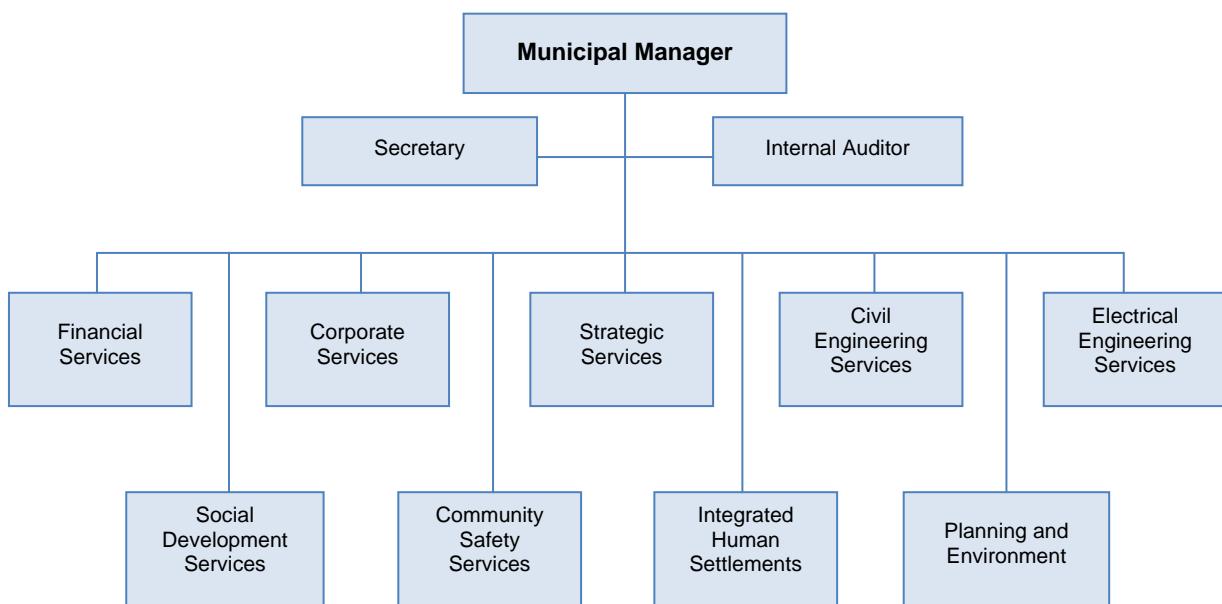
The 2007–2008 financial year was characterised by a number of changes in leadership and management. During the second quarter of the financial year the then Manager HR Services, Mr Wouter Müller, retired after more than 20 years in the service.

A new manager, Mr Jonny Cheminais, was appointed on 1 January 2008. This led to the drafting of various human resource policies, a human resource plan and a human resource protocol. Human Resources was much more involved in strategic deliberations with the top management team through the involvement of the manager. Mr Cheminais however left the organisation at the end of June 2008 after which Mr Sabelo ka Hlanganisa was appointed as the Acting Manager.

Various positions have been advertised and Human Resources played a crucial role in the filling thereof. All these appointments were intended to meet the employment equity numerical goals and targets of Council. By the end of the financial year, Human Resources was busy drafting the Employment Equity Plan 2008 – 2013, Recruitment and Selection Policy and other policies to be approved soon.

On a political level, it is worth mentioning that there have been changes in the political leadership since the by-elections in March 2008. By the end of 2007/2008, there was a new Mayoral Committee in place. This meant HR having to engage the new political leadership on key policies, so as to deliver on the mandate evolved by the political leadership and articulated by the current Mayco.

3.2 ORGANISATIONAL STRUCTURE



3.3 GOVERNANCE

Stellenbosch Municipality has an Executive Mayoral Committee (Mayco) system that is combined with a ward-participatory system. The Mayco consists of the Executive Mayor, plus seven members elected in terms of Section 60 of the Municipal Structures Act (Act No. 117 of 1998). The main task of the Mayco is to assist the Executive Mayor to make decisions relating to all powers delegated to it by Council. The Mayco, which meets at least once a month, takes all decisions on behalf of Council, except matters that may not, by law, be delegated by Council.

During the 2007–2008 financial year, the Mayco reoriented itself towards a more strategic focus, and, through regular biweekly strategic meetings with senior management, the priorities of Mayco were integrated into plans, programmes and work activities of the respective directorates.

The table below lists all the Councillors, as well as the number of meetings attended by the Councillors. The level of attendance of the Council, Mayco and portfolio committee meetings is high and can be regarded as indicative of the seriousness with which the Councillors approach their governance responsibilities.

Councillor profile (1 July 2007 to 30 June 2008)

Councillor	Party	Capacity	Ward/PR	Constituency	Meetings Attended	
					Council	Section 80
					Max (9)	Max ()
J Andrews (From Sep 2007)	ID	Part-time	PR		5(5)	5(7)
JC Anthony Up to Apr 2008: From Apr 2008:	ANC	Part-time Mayco	Ward 19	Klapmuts, De Novo, north-eastern part of the municipal area	7	9(9)
GW Adonis (Up to Aug 2007)	ID	Part-time	PR		2(2)	5(7)
PW Biscombe	DA	Part-time	Ward 10	Elsenburg; Koelenhof, Welgevonden Estate, Cloetesville NE of Long Street, North of Fir Street & Nietvoorbij	9	8(9)
DC Botha	DA	Part-time	Ward 06	Jonkershoek Valley, Uniepark Rozendal, Karindal, Mostertsdrift, Simonswyk, Universiteitsoord east of Verreweide Road	9	9(9)
G Bruwer (Up to Oct 2007 – resigned)	DA	Part-time	PR			
A Crombie (from Nov 2007)	DA	Part-time	PR		5(5)	4(5)
L Conradie	ANC	Part-time	Ward 03	Groot Drakenstein, Boschendal Estate, Lanquedoc, Pniel and Johanneshdal	9	7(9)
MR Doro	ANC	Part-time	PR		9	9(11)
V Fernandez Up to Apr 2008: From Apr 2008:	DA	Mayco Part-time	Ward 11	Cloetesville south-west of Long Street and south of Fir Street	9	11(11)
AC Fortuin	DA	Part-time	PR		8	7(9)
A Frazenburg (From May 2008)	DA	Part-time	PR		1(1)	1(1)
JIK Gagiano	DA	Part-time	Ward 08	Central Stellenbosch between Herte, Skone Uitsig and Bird Streets in the west, the Eerste River in the south, Merriman Avenue in the north and Bosman and Cluver Streets in the east	9	7(9)
JGB Giliomee	DA	Part-time	Ward 09	Die Boord, north of Formosa and Van Reede Streets, Krigerville	9	7(7)
SM Gordon Up to Apr 2008: From Apr 2008:	ANC	Part-time Mayco	PR		8	10(11)
AH Götze Up to Apr 2008: From Apr 2008:	ACDP	Mayco Part-time	PR		9	19(20)*
CP Jooste Up to Apr 2008: From Apr 2008:	DA	Mayco Part-time	PR		9	11(11)

Councillor	Party	Capacity	Ward/PR	Constituency	Meetings Attended	
					Council	Section 80
					Max (9)	Max ()
S Jooste	ANC	Part-time	PR		8	10(11)
CJ Langeveldt	ANC	Part-time	Ward 05	Idas Valley West of Lindley Street	9	6(7)
ME Linders Up to Jan 2008: From Mar 2008 From Apr 2008	DA Independent	Part-time Mayco	Ward 17	Jamestown, Raithby, the south-west part of the municipal area up to the R310 in the north	9	8(9)
EL Maree Up to Apr 2008: From Apr 2008:	DA	Exec Mayor Part-time	PR		9	Ex Officio
C Mcako Up to Apr 2008: From Apr 2008:	ANC	Part-time Deputy Exec Mayor	PR		9	7(9)
NA Mgijima Up to Apr 2008: From Apr 2008:	ANC	Part-time Mayco	Ward 13	Kayamandi, north of Ndumela and Mdala Streets and east of Sesithaba, Mgabadeli and Makupula Streets	8	6(7)
JB Morgan	ANC	Part-time	Ward 02	Langrug, La Motte, Wemmershoek	9	6(9)
MM Ngcofe	ANC	Part-time	Ward 15	Kayamandi, south of Ndumela and Mdala Streets and east of Vineyard Street	9	6(9)
MD Oliphant Up to Apr 2008: From Apr 2008:	ANC	Part-time Mayco	Ward 14	Kayamandi, south of Costa Land and west of Sesithoba, Mgabadeli, Makupula and Vineyard Streets	9	9(11)
WF Ortell	ANC	Part-time	PR		9	11(11)
HG Pheiffer Up to Apr 2008: From Apr 2008:	ANC	Part-time Speaker	Ward 01	Franschhoek, Groendal and Mooiwater	8	4(7)
G Pojie	ANC	Part-time	Ward 18	The western part of the municipal area north of the R310	9	9(9)
C Sandenbergh	ACDP	Part-time	PR		9	6(9)
JP Serdyn	DA	Part-time	Ward 12	Plankenbrug, Onder Papegaaiberg, Devon Valley, Devonvale, Snake Valley in Kayamandi	9	8(9)
K Shubani Up to Apr 2008: From Apr 2008:	UDM	Deputy Exec Mayor Part-time	PR		9	26(36)**
LN Swakamisa	ANC	Part-time	PR		9	6(7)
MM Smith Up to Aug 2007 From Sept 2007 From April 2008	ID ANC	Part-time Part-time Mayco	PR		9	10(11)
PM Swartz Up to Oct 2007 Up to Apr 2008 From Apr 2008:	KCA	Mayco Part-time Exec Mayor	PR		9	28(36)**
JW van der Poel Up to Apr 2008: From Apr 2008:	DA	Mayco Part-time	PR		9	9(9)

Councillor	Party	Capacity	Ward/PR	Constituency	Meetings Attended	
					Council	Section 80
					Max (9)	Max ()
AP van der Westhuizen Up to Apr 2008: From Apr 2008:	DA	Speaker Part-time	Ward 16	Die Boord, south of Formosa and Van Reede Streets, Dalsig Brandwacht, Paradyskloof, Technopark, De Zalze	9	N/A
JG van Zyl	DA	Part-time	Ward 07	Tennantville, northern part of Stellenbosch between Adam Tas Road in the west, Merriman Avenue in the north and Verreweide, Cluver and Lelie Streets in the east	9	6(7)
PJ Venter Up to Apr 2008 (resigned 15 April 2008)	DA	Mayco	PR		8	7(8)
EJ Williams	ANC	Part-time	Ward 04	Kylemore, Banghoek Valley, Rustenberg Valley, the Ridge Lindida, Idas Valley east of Lindley Street	9	9(9)

* Member of two committees

** Member of four committees

In addition to the above-mentioned formal meetings, policy-making workshops were held on a regular basis with the political structures, and portfolio committee operated frequently and effectively adopting a more policy-focused and oversight approach in their agendas and proceedings.

3.4 LEADERSHIP

A key priority of the Municipal Manager and top management has been the Leadership Forum, in terms of which the top eighty managers in the organisation meet on a monthly basis to interact on leadership issues and consider strategies and innovative practices to drive the transformation of the organisation from 'good to great'. During the last quarter of the financial year from April to June 2008 the Leadership Forum met three times.

Attendance of the forum is by invitation at the discretion of the various directors, with the sessions being extended to include potential future leaders of the organisation as well, depending on the theme of the particular forum discussion. The leadership intends to allow the Leadership Forum to grow organically, and to extend the activities of the forum to broader leadership, innovative service delivery and organisational development issues through the development of focus groups and think-tanks among all levels of staff in the organisation.

3.5 GENDER ADVANCEMENT

During the 2007–2008 financial year substantive steps were taken to promote the advancement of women in the workplace. The appointment of women in key positions at the senior and middle management level is reflected in the fact that female representation has grown to 18 out of 77 positions in the post level 1–4 category of the organisational structure, with many of them filling critical decision-making positions in the municipality.

The continued striving toward a truly representative workforce will be bolstered by development interventions, innovative HR policies and practices, and a structured coaching and mentorship initiative.

3.6 HUMAN RESOURCES MANAGEMENT

3.6.1 THE NEED FOR A REVIEW OF HUMAN RESOURCES POLICIES AND PRACTICES

The political and administrative leadership acknowledge that, in meeting the service delivery challenges faced by the communities of the Greater Stellenbosch area, the human capital of this organisation is its primary asset. Managing the human capital in an effective, efficient and productive manner requires that the HR policies, practices and methodologies are continuously reviewed and updated.

With the appointment of the new HR Manager during the third quarter of the 2007–8 financial year, a strategic review process was initiated for the entire HR function. The review resulted in the development of an annual action plan for the HR Department in order to address the priorities identified by senior management. This action plan was linked to the performance scorecard of the Director: Corporate Services, which, in turn, was aligned with the strategic priorities of Council, as set out in the IDP.

During this period, key policies were drafted and discussed with senior management and the local labour forum, while the remainder of the policies will be addressed in the 2008–2009 financial year.

3.6.2 RECRUITMENT, SELECTION AND EMPLOYMENT EQUITY

In terms of the recruitment and promotion of employees, the following can be noted for the period 1 July 2007 to 30 June 2008:

- New appointments 127
- Disabled people appointed None
- Employees promoted (including the advancement of staff) 20
- Contract employees appointed 116

A critical challenge for the current Administration is to attract and retain scarce skills in the workplace. Currently, the salary packages offered by Stellenbosch Municipality are not as competitive as those of our neighbouring municipalities or the private sector. Stellenbosch Municipality is therefore challenged in achieving its vision as the 'employer of choice', hampering efficient service delivery.

Although the municipality invests in the skills development of its staff, progress will only be made if scarce skills are attracted and retained. Initiatives in this regard include the drafting of a Retention of Scarce Skills Policy, as well as the initiating of climate surveys, reward and incentive systems, and a comprehensive staff development and mentoring strategy in order to make Stellenbosch Municipality an attractive employment option for competent, professional and dedicated staff. Furthermore, the affordability of accommodation/housing in the Stellenbosch area further hampers our initiatives to attract quality personnel.

Notwithstanding the above challenges, a number of key appointments have been made during the 2007–2008 financial year, and Stellenbosch Municipality has been able to attract high-level staff into key positions, many of whom have stated that their decision to join Stellenbosch Municipality was motivated by the organisational renewal that has taken place, the high profile of the municipality, the perception of Stellenbosch as an innovation hub in local government, and the leadership dynamic that has emerged since the appointment of the new top management team.

The table below shows the staff profile and employment equity ratio for Stellenbosch Municipality.

Post Level	Africans		Coloureds		Whites		TOTAL
	Male	Female	Male	Female	Male	Female	
MM/Directors	1		5	1	2	1	10
1			3		4		7
2		1	6	2	6	1	16
3	1		6	1	2	3	13
4	4	2	12	4	7	2	31
5	2	1	10	5	6	1	25
6	2	1	8	7	8	5	31
7	3	3	13	2	10	3	34
8	3	2	20	11	4	8	50
9	3	12	36	11	17	10	90
10	10	11	32	21	2	3	83
11	14	14	19	32	2	7	90
12	14	11	46	13	1		85
13	14	3	17	6			41
14	5	2	10	6			23
15	30		43	1		1	73
16	11	2	33	5	1		52
17	126	37	153	31		1	340
TOTAL	243	102	472	159	72	46	1 094

Africans	345	31 %
Coloureds	631	58 %
Whites	118	11 %
Males	787	72 %
Females	307	28 %

During the 2007–2008 financial year all appointments were made in line with the Employment Equity Plan of the municipality. A key milestone during this period was the appointment of Africans in the Directorate Financial Services, as well as the appointment of women and Africans to managerial positions at post levels 1–4 in the organisation. Furthermore, the initiative was taken to appoint White males and females to lower levels in the organisation, particularly at post level 17.

An updated Recruitment and Selection Policy and aligned Employment Equity guidelines were workshopped with management, as well as in the Local Labour Forum, with numerous comments and inputs being received. The final policy will be submitted to Council for adoption in the 2008–2009 financial year.

3.6.3 HUMAN RESOURCES DEVELOPMENT

Policies for internal and external bursaries are in place. The Training Committee, which follows a well-organised procedure involving all relevant role-players, meets regularly.

Transparent regulation of all courses involves the unions SAMWU and IMATU in all decision-making. The focus has changed to one of securing SETA-accredited training providers to present and administer all courses, with all course results being captured on the Payday electronic HR information system.

All skills development activities are being governed by the annual Workplace Skills Plan, as required by the Local Government SETA (LGSETA). During the course of the year under review a Skills Audit was conducted among all staff, responding to requests for training received from the staff, aimed at addressing needs at grassroots level. Such a response formed the basis of the training plan for the 2007/2008 financial year, during which year success was achieved in addressing the training needs identified by staff in such a way as to empower them to perform more efficiently.

An Isett-accredited computer course, which is formally registered as a national qualification, is set to provide staff and Councillors with the required IT skills. Currently the Stellenbosch municipality is the only host of such a programme in the Western Cape.

With regard to basic skills, such as reading and writing, a new focused adult basic education and training (ABET) cycle has started with the appointment of a new provider, namely EEE Training. The HR Department has made it compulsory for facilitators to have knowledge and understanding of local government operations, requiring that instruction in the field be integrated into the learning programme.

All technical training is conducted by tertiary institutions equipped to empower personnel with the required skills, including:

- the Cape Peninsula University of Technology, which is currently presenting a Project Management course;
- IMFO, which facilitated a course on finance for non-financial managers; and
- NOSA, which facilitated OHS courses for OHS representatives and managers.

A leadership course is currently under way to improve the leadership skills of all employees.

The Department has adopted the recommendations of the LGSETA by replacing informal training with more structured learning focused at obtaining job efficiency.

3.6.4 LABOUR RELATIONS

Although a healthy working relationship has been established with organised labour, which is evident in the positive and valuable role played by the unions in a number of labour and human resource-related issues, including the adoption of the Organisational Policy Framework, the adoption of the macro-organisational structure, the recruitment and selection process of the Municipal Manager and nine directors, and active engagement in the Local Labour Forum, it is fundamental to note that the successful transformation of municipal administrations depends on recognising the particular interests of labour, but also that labour's interests cannot stand in the way of transformation or delivery to communities

During the 2007–2008 financial year the Local Labour Forum met formally on five occasions, leading to the establishment of the following subcommittees:

- the **Basic Conditions Subcommittee** (which deals with matters relating to working conditions, the scheduling of working hours, and health and safety proposals);
- the **Workplace and Services Restructuring Subcommittee** (which deals with proposed changes relating to any service restructuring, including the introduction of new technology, proposals for privatisation or alternative methods of service delivery, or other work re-organisation proposals);
- the **Human Resources Subcommittee** (which deals with all HR issues, including consultations and technical preparatory work on education and training and employment equity);

- the **Occupational Health and Safety Subcommittee** (which deals with matters relating to OHS including, though not limited to, OHS policies and practices); and
- the **Gender Committee** (which deals with all matters relating to gender issues, empowerment and transformation on grounds of gender).

These committees were established based on the National Main Collective Agreement signed on 18 June 2007 with specific reference to the section regulating Organisational Rights and function on an ad hoc basis. A number of key policy documents have been referred to the Local Labour Forum who in turn referred these documents to the relevant sub-committee for discussion and submitting final drafts to the Local Labour Forum for referral to Mayco and subsequent referral to Council for approval of these policies. These policy documents include but is not limited to:

- HIV/AIDS Policy;
- Smoking Policy;
- Staff Retention and Attraction Policy;
- Leave Policy;
- Recruitment and Selection Policy;
- Minimum Services Level Agreement on Essential Services; and
- Overtime and Standby Policy

From a Labour Relations perspective, the goal is to have all these policy documents regulating labour related issues within the organization, embodied in one codified document which will then be distributed amongst all municipal staff members for the purposes of creating awareness of all rules, regulations and procedures set by the employer after due consultation with labour.

In an attempt to advance the Labour Relations section within the Stellenbosch Municipality, it is inevitable to commit ourselves to the implementation of the following key objectives as also required by the South African Local Government Bargaining Council:

- ensuring the implementation of a structured employment contract for all new staff;
- providing mechanisms to address the issue of employee wellness and/or an employee assistance programmes to counter the increase of alcohol and/or drug abuse within the organisation;
- ensuring greater flexibility in the retraining of staff and re-deployment of staff, in order to enable a redistribution of administrative resources; and
- introducing a more customer and performance-oriented service system.

3.6.5 DISCIPLINARY PROCESSES

Disciplinary processes relates to various actions taken by the employer to act correctively and progressively in ensuring fair labour practices.

As a method of addressing unacceptable behaviour within the organisation, the following can be reported on the implementation of discipline for the period 1 July 2007 to 30 June 2008. A total number of 82 disciplinary hearings were held ranging from minor forms to more serious forms of misconduct. The implementation of discipline was at all times viewed as corrective and progressive action taken by the employer with the purpose of creating consistency in the application of all rules, regulations, procedures and policies existing within the organisation.

Prior to the implementation of formal disciplinary action, there were six suspensions for the period 1 July 2007 to 30 June 2008 of which two employees were re-instated. It should however be note that the employer was particularly cautious in deciding whether or not to suspend an employee. This is mainly due to the fact that the decision to suspend relates to taking an employee out of service for a fixed period without a loss of remuneration regardless of the fact that the relevant staff member is not rendering a productive service during his/her suspension. Suspensions are therefore only implemented in cases of severe and/or serious misconduct.

Two appeals were submitted by employees subsequent to disciplinary action and to which the outcomes are still pending.

It should also be emphasised that Stellenbosch Municipality acknowledges that there are also those instances which causes poor work performance by employees as a result of their medical incapacities. Under these circumstances the municipality engaged in seven incapacity hearings for the period 1 July 2007 to 30 June 2008 in order to first obtain the relevant medical opinions from general practitioners, occupational therapists and specialists and also conducting a search within the organisation for alternative employment before actually terminating services based on medical incapacity.

The total number of terminations for the Stellenbosch Municipality which includes dismissals, medical incapacities, retirements as well as resignations either on a voluntary basis or due to the implementation of disciplinary action for the financial year 1 July 2007 – 30 June 2008 amounts to 107 out of a staff complement of 1125 employees and which in effect results in terminations of more or less 9.5% of the total staff complement.

Decisions in the above-mentioned disciplinary enquiries/hearings were taken after due consideration was given to the following factors:

- employer's statement of case
- employee's statement of case
- witness/es statements (if any) on the side of the employer
- witness/es statements (if any) on the side of the employee
- where guilty finding was made, opportunity by the employer to provide aggravating factors as well as the opportunity by the employee to provide mitigating factors.
- The decision in terms of penalty is based exclusively on the presiding officer at the enquiry/hearing taking into consideration the prescribed penalties as listed under the Collective Agreement on Disciplinary Procedures.

3.6.6 HUMAN RESOURCES ADMINISTRATION SERVICES

The Section is responsible for the administration of leave, as well as of all other fringe benefits relating to employees, such as medical aid contributions, housing schemes, etc. The post register for all employees, which is regularly updated, is maintained in this section. The administration of salaries is updated monthly. The Section is also responsible for ensuring that the correct salary information is given through to the Finance Department for each employee. The Section manages any enquiries relating to employee salaries and fringe benefits, as well as administering employment, the termination of service and leave.

3.6.7 STAFF WELLNESS AND THE EMPLOYEE ASSISTANCE PROGRAMME

As a caring employer, Stellenbosch Municipality is currently establishing the following initiatives to nurture its key asset, its staff component:

- A series of diversity workshops was facilitated across the organisation in order to encourage tolerance, teamwork and understanding in the multicultural workforce;
- A sports day was held on Friday 16 November 2007 in line with this theme. The event was organised by the Employment Equity Committee in consultation with top management, unions and medical aid schemes.
- An EAP was drafted for comment and input from management and the Local Labour Forum; and
- An annual staff wellness week was held to promote wellness and create awareness of the staff wellness and EAP Function within the HR Department.

The establishment of such initiatives is intended to create a caring environment in terms of which motivated and competent staff can contribute to the enhancement of all communities living in the Greater Stellenbosch area by means of professional and responsive service delivery.

CHAPTER 4

Audited Statements and Related Financial Information

4.1 GENERAL INFORMATION

4.1.1 AUDITORS

The Auditor-General

4.1.2 BANKERS

ABSA Bank

4.1.3 REGISTERED OFFICE

Street Address	Postal Address	Telephone	Fax
Plein Street	PO Box 17	(021) 808 8111	(021) 808 8200
Stellenbosch	Stellenbosch		
7600	7599		

4.1.4 MUNICIPAL MANAGER

Mr IBR Kenned

4.1.5 CHIEF FINANCIAL OFFICER

Mr MAC Bolton

4.1.6 APPROVAL OF FINANCIAL STATEMENTS

A report on the annual financial statements for the 2007/2008 financial year must still serve before Council.

4.1.7 PREPARATION OF FINANCIAL STATEMENTS

I am responsible for the preparation of these financial statements, which are set out on pages 2 to 63, in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 26 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
MUNICIPAL MANAGER

.....
DATE

4.2 REPORT OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE STELLENBOSCH MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2008

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Stellenbosch Municipality which comprise the statement of financial position as at 30 June 2008, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 45.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1, and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act, 2007 (Act No. 1 of 2007) (DoRA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3)(a) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. Paragraph 11 *et seq.* of the Statement of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Stellenbosch Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

9. The municipality's policy is to prepare financial statements on the basis of accounting determined by the National Treasury as set out in accounting policy note 1.

Opinion

10. In my opinion the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2008 and its financial performance and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in accounting policy note 1, and in the manner required by the MFMA and DoRA.

Emphasis of matters

Without qualifying my audit opinion, I draw attention to the following matters:

Amendments to the applicable basis of accounting

11. As set out in accounting policy note 1 and note 44 to the financial statements, the National Treasury approved a deviation from the basis of accounting applicable to the municipality in terms of *General Notice 522 of 2007*, issued in *Government Gazette No. 30013 of 29 June 2007*.

Restatement of corresponding figures

12. As disclosed in note 35 to the financial statements, the corresponding figures for the year ended 30 June 2007 have been restated as a result of a change in accounting policy and errors discovered during the year ended 30 June 2008 in the financial statements of the municipality at, and for the year ended, 30 June 2007.

Unauthorised expenditure

13. As disclosed in note 36 to the financial statements, unauthorised expenditure totalling R22 767 457 was incurred during the financial year in terms of sections 1 and 15(b) of the MFMA, due to the exceeding of the approved budgets for five votes.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Matters of governance

14. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of certain key governance responsibilities, which I have assessed as follows:

Matter of governance	Yes	No
Audit committee		
• The municipality had an audit committee in operation throughout the financial year.	●	
• The audit committee operates in accordance with approved, written terms of reference.	●	
• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA.	●	
Internal audit		
• The municipality had an internal audit function in operation throughout the financial year.	●	
• The internal audit function operates in terms of an approved internal audit plan.	●	
• The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA.		●
Other matters of governance		
• The annual financial statements were submitted for audit as per the legislated deadlines in section 126 of the MFMA.	●	
• The annual report was submitted to the auditor for consideration prior to the date of the auditor's report.	●	
• The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		●
• No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information.		●
• The prior year's external audit recommendations have been substantially implemented.	●	
Implementation of Standards of Generally Recognised Accounting		

Matter of governance	Yes	No
Practice (GRAP)		
• The municipality submitted an implementation plan, detailing progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 30 October 2007.	●	
• The municipality substantially complied with the implementation plan it submitted to the National Treasury and the relevant provincial treasury before 30 October 2007, detailing its progress towards full compliance with GRAP.	●	
• The municipality submitted an implementation plan, detailing further progress towards full compliance with GRAP, to the National Treasury and the relevant provincial treasury before 31 March 2008.	●	

Unaudited supplementary schedules

15. The municipality provided supplementary information in the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information set out on pages 59 to 61 (Appendix E) as well as the statistical information set out on page 63 (Appendix G) does not form part of the financial statements and is presented as additional information. Accordingly I do not express an opinion thereon.

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

16. I was engaged to review the performance information.

Responsibility of the accounting officer for the performance information

17. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

Responsibility of the Auditor-General

18. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.

19. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

20. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the audit findings reported below.

Audit findings (performance information)

Measurable objectives are materially inconsistent between budget, integrated development plan and the service delivery and budget implementation plan

21. I draw attention to the fact that the measurable objectives of the Stellenbosch municipality are materially inconsistent when compared with the predetermined objectives as per the budget, integrated development plan (IDP) and the service delivery and budget implementation plan (SDBIP).

Content of integrated development plan

22. The IDP of the municipality did not include the key performance indicators and performance targets determined in terms of its performance management system, as required by section 26(i) of the MSA.

23. Performance targets disclosed in the IDP were not specific, measurable and/or time bound.

Performance information not received in time

24. I was not able to complete an evaluation of the quality of the reported performance information in the annual report, since the information was not received in time.

OTHER REPORTS

Investigations

25. A forensic investigation into the supply chain management process regarding the sale of land transaction was conducted by a consulting firm during 2006-07. Council subsequently reviewed the matter and took it to the Cape High Court in order to present the correct facts and is awaiting the outcome.

APPRECIATION

26. The assistance rendered by the staff of the Stellenbosch Municipality during the audit is sincerely appreciated.

Auditor-General

Cape Town

30 November 2008



A U D I T O R - G E N E R A L

4.3 MANAGEMENT'S COMMENTS ON MATTERS EMANATING FROM THE AUDIT REPORT FOR THE YEAR ENDING 30 JUNE 2008

EMPHASIS OF MATTERS

Amendments to the applicable basis of accounting

We agree with the Auditor General and confirm that the Municipality will be fully compliant with the prescribed GAMAP/GRAP accounting standards for the 2008/2009 financial year.

Restatement of corresponding figures

This refers to the phasing in of post retirement benefits for 2006/07 and 2007/08 financial year during which the exemption had to be applied. In terms of the exemption, the provision will be phased in over a five year period effective 2009/2010.

Unauthorised expenditure

This refers to overspending of the total amount appropriated per vote or directorate in the municipality's approved budget. The overspending is directly related to the allocation of administration costs, appropriations and the fact that we are partially GRAP (Generally Recognised Accounting Practice) compliant whilst our budget is still compiled based on GAMAP (Generally Accepted Municipal Accounting Practice).

The overspending referred to by the AG does not consist of any outflows of cash or overpayments to suppliers or staff and relates to financial book entries whilst compiling the financial statements. The finalization of the financial statements is 60 days after year-end and an adjustments budget to accommodate these entries can thus not be effected and approved.

These book entries can not be determined before year end in the current budget format and we will therefore have to investigate other ways of budgeting for these entries.

It should be noted that the total approved budget overall was not overspent; the total actual expenditure for the whole organization was well within the limits.

OTHER MATTERS

Matters of governance

We agree with the findings of the Auditor General, but wish to advance the following explanations.

1. The internal audit function was not fully functional for the year under review. This situation has been remedied by the appointment of Price Waterhouse Coopers in a co-sourcing agreement.
2. The financial statements were adjusted in accordance with the recommendations made by the Auditor General relating to the restatement of corresponding figures.
3. The difficulties in some cases referred to are as a result of the format of the requests from the audit team. Management was not able to reproduce reports relating to year end 30 June 2008.

4.4 REPORT OF THE CHIEF FINANCIAL OFFICER

4.4.1 PREAMBLE

It is my pleasure to give a brief summary of the financial results of our Council for the financial year ending 30 June 2008.

The operating activities culminated in a surplus of R52 406 265 for this financial period. After the necessary transfers to and from the accumulated surplus have been made according to GAMAP/GRAP, the balance of the accumulated surplus at 30 June 2008 was R123 895 346.

4.4.2 OPERATING RESULTS

The financial statements provide an in-depth analysis of the operating results and comply with our accounting policies. The following matters are highlighted as a synopsis of the financial results.

The actual revenue of R500 052 859 compare favorably with the approved income budget of R470 221 350. It is however important to take cognisance of the disclosure of operating, as well as capital grants and receipts included in the operating account in accordance with GAMAP/GRAP. Abovementioned receipts disclosed in the Statement of Financial Performance amounts to R52 308 216 for 2007/2008.

The total actual expenditure for this financial period is R447 646 594, compared to the budget of R470 221 350. It should be noted that appropriations to various funds and reserves permitted in accordance with GAMAP/GRAP, are accounted for in the Statement of Changes in Net Assets, and not in the Statement of Financial Performance.

The various expenditure categories relates as follows to the gross expenditure. (Previous years are also indicated in order to reveal new trends or deviations):

Expenditure Category	Actual 2005/2006	Actual 2006/2007	Actual 2007/2008
Salaries & Allowances	32.94	34.19	35.28
General expenses	58.93	50.58	53.91
Repairs & Maintenance	5.37	5.26	5.65
Capital Costs	0.39	0.82	0.85
Contribution to Capital	0.11	0.10	0.00
Contribution to Provisions	2.26	9.05	4.31
	100.00	100.00	100.00

The actual expenditure for the 2007/2008 financial year was in line with that of past years.

The net appropriations as listed in the Statement of Changes in Net Assets amounted to R26 112 002, and the balance of the Accumulated Surplus increased from R97 783 343 to R123 895 364 at 30 June 2008. The Statement of Changes in Net Assets deals with allocations to various accounts, for example the Capital Replacement Reserve, offsetting of depreciation, capital receipts for Property, Plant and Equipment purchased, et cetera.

Future Depreciation Reserves are created for all assets purchased out of grants and donations. Offsetting of these reserves occurs annually via the Statement of Changes in Net Assets, referred to as offsetting of depreciation, to prevent double taxation of consumers.

4.4.3 CAPITAL EXPENDITURE

In summary the capital expenditure was as follows:

	Budget	Actual	% Expenditure
Basic capital (Own funding)	54 321 000	50 287 136	92.6%
Ad hoc capital (External funding)	50 305 160	36 882 496	73.3%

A percentage of all basic and ad-hoc capital projects that have been budgeted for were executed. The low percentage spending on ad hoc capital is the result of external financing that has been budgeted for, but which did not realise.

4.4.4 INDICATORS AND RATIOS

The following ratios are used as a guide to analyse year on year performance over the previous MTEF:

$$(i) \quad \text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{181\,722\,375}{75\,873\,007}$	$\frac{254\,806\,576}{100\,725\,382}$	$\frac{291\,233\,343}{132\,126\,299}$
2.40 : 1	2.50 : 1	2.20 : 1

The generally accepted norm in this regard is a ratio of 2:1. The ratio for 2007/2008 compares favorably with the norm.

$$(ii) \quad \text{Average debtors period} = \frac{\text{Average debtors}}{\text{Turnover (sales)}} \times \frac{365}{1}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{70\,304\,696}{369\,903\,039} \times \frac{365}{1}$	$\frac{72\,700\,051}{391\,764\,884} \times \frac{365}{1}$	$\frac{73\,541\,903}{434\,557\,323} \times \frac{365}{1}$
69 days	68 days	60 days

The general norm in the private sector in this regard is 60 days. This ratio is almost within the general norm due to Council's improved and more effective debt collection efforts.

Ratios 3, 4 and 5 are the prescribed ratios in terms of the Performance Management Regulations.

$$(iii) \quad \text{Debt coverage} = \frac{\text{Total operating revenue received} - \text{operating grants}}{\text{Debt service payments (I & R) due within fin year}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{426\,652\,587 - 56\,749\,548}{1522\,323}$	$\frac{474\,016\,697 - 82\,251\,813}{3\,652\,527}$	$\frac{500\,052\,859 - 65\,495\,536}{3\,214\,351}$
243 : 1	107 : 1	135 : 1

As the generally accepted norm for this ratio is unknown, the only barometer we have is to compare it from year to year.

$$(iv) \quad \text{Outstanding service debtors to revenue} = \frac{\text{Outstanding service debtors}}{\text{Actual revenue received for services}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{55\,180\,626}{369\,903\,039}$	$\frac{57\,620\,657}{391\,764\,884}$	$\frac{54\,959\,337}{434\,557\,323}$
0,15 : 1	0,15 : 1	0,13 : 1

As the generally accepted norm for this ratio is unknown, the only barometer we have is to compare it from year to year. The ratio shows an improvement from the previous year.

$$(v) \quad \text{Cost coverage} = \frac{\text{All available cash + investments}}{\text{Monthly fixed operating expenditure}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{3 076 242 + 114 077 260}{31 711 707}$	$\frac{7 964 777 + 171 594 157}{35 340 440}$	$\frac{16 679 842 + 209 910 868}{37 303 883}$
3.69 : 1	5.08 : 1	6 : 1

As the generally accepted norm for this ratio is unknown, the only barometer we have is to compare it from year to year.

$$(vi) \quad \text{Long-term debt/income} = \frac{\text{Long term liabilities}}{\text{Total income}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{31 562 244}{426 652 587}$	$\frac{31 159 160}{474 016 697}$	$\frac{27 005 787}{500 052 859}$
7.4%	6.6%	5.4%

As the generally accepted norm in this regard is 35%, the ratio of Stellenbosch is very good. The reason for the exceptional low percentage overall, is due to Council's policy to finance capital expenditure from own funds and to limit external loans to the minimum.

$$(vii) \quad \text{Debtors/income} = \frac{\text{Gross debtors}}{\text{Total income}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{107 869 578}{426 652 587}$	$\frac{114 091 927}{474 016 697}$	$\frac{102 927 209}{500 052 859}$
25.28%	24.07%	20%

The generally accepted norm in this regard is 16.7%. Although not within the generally accepted norm, this ratio shows a downward trend for the past three years.

$$(viii) \quad \text{Net Debtors/income} = \frac{\text{Gross debtors} - \text{working capital reserve}}{\text{Total income}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{107 869 578 - 29 877 458}{426 652 587}$	$\frac{114 091 927 - 45 338 085}{474 016 697}$	$\frac{102 927 209 - 39 394 085}{500 052 859}$
18.28%	14.50%	10%

The generally accepted norm in this regard is 12.5%. The ratio for 2007/2008 is well within the norm.

$$(ix) \quad \text{Debt servicing cost to total expenditure} = \frac{\text{Interest and redemption}}{\text{Total expenditure}}$$

30/06/2006	30/06/2007	30/06/2008
$\frac{1 522 323}{380 540 486}$	$\frac{3 652 527}{424 085 277}$	$\frac{3 214 351}{447 646 594}$
0.40%	0.86%	0.72%

The generally accepted norm in this regard is 15.0%. The ability to fund our capital programme from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.

4.4.5 CLASSIFICATION OF SERVICES

The various services rendered by Council are arranged per function (directorate) or purpose of expenditure in the various statements and appendixes of the financial statements, in order to comply with the GAMAP/GRAP format of financial year-end reporting

4.4.6 STANDARDISATION OF FINANCIAL REPORTING

These financial statements are presented in line with the new Accounting Standards and format of the Annual Financial Statements as standardized by National Treasury

4.4.7 GENERAL

The general financial position of Stellenbosch Municipality is sound and the positive trends are evident in the abovementioned ratios. We live in perhaps the most exciting country on earth, but face immense challenges, with poverty at their core. When Grameen Bank founder, Professor Mohammed Yunus, described poverty as a threat to peace and a denial of all human rights, he was essentially echoing our own Nobel Peace Prize laureate, Nelson Mandela, who once said, "We in South Africa have learnt through bitter experience that security for a few is in fact insecurity for all". The main challenges are: To continuously create meaningful solutions to debt management and financing the organisation's long term capital requirements.

4.4.8 APPRECIATION

I acknowledge the contribution and sterling work performed by the staff of the Directorate Financial Services during the year under review and in particular the staff of the Budget Office for their efforts in the preparation of these financial statements.

**MAC BOLTON
CHIEF FINANCIAL OFFICER**

STELLENBOSCH MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2008

	Note	2007/2008 R	2006/2007 R
NET ASSETS AND LIABILITIES			
Net Assets		1 105 669 093	1 052 772 618
Housing development fund	1	4 893 384	6 545 208
Capital replacement reserve		151 746 658	125 620 433
Capitalisation reserve		137 900 038	152 900 251
Government grant reserve		121 421 949	99 750 932
Donations and public contr reserve		559 112 456	564 507 963
Self-insurance reserve		6 699 262	5 664 488
Accumulated Surplus		123 895 346	97 783 343
Non-current liabilities		45 728 144	49 826 590
Trust funds		75 273	70 038
Non-current payables	2	825 807	825 807
Long-term liabilities	3	27 005 787	31 159 160
Non-current provisions	4	17 821 277	17 771 585
Current liabilities		135 590 326	100 725 382
Consumer deposits	5	6 887 408	6 859 278
Provisions	6	5 825 742	5 620 651
Creditors	7	51 578 673	38 678 615
Unspent conditional grants and receipts	8	65 085 253	42 801 193
VAT	9	2 740 397	3 397 293
Short-term loans	10	0	0
Current portion of long-term liabilities	3	3 472 854	3 368 352
Total Net Assets and Liabilities		1 286 987 564	1 203 324 591
ASSETS			
Non-current assets		991 464 386	948 518 015
Property, plant and equipment	11	970 325 295	925 762 165
Intangible assets	12	1 433 203	777 179
Investment property	13	0	0
Biological assets	14	15 000 000	15 000 000
Investments	15	1 313 319	1 299 910
Long-term receivables	16	3 392 568	5 678 760
Current assets		295 523 177	254 806 576
Inventory	17	6 311 031	7 094 372
Consumer debtors	18	32 314 529	30 037 105
Other debtors	15	31 218 595	38 716 736
Current portion of non-current loans	19	401 632	699 339
Call investment deposits	20	208 597 549	170 294 247
Bank balances and cash	21	16 647 242	7 911 102
Cash on hand		32 600	53 675
Total Assets		1 286 987 564	1 203 324 591

STELLENBOSCH MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008

Adjusted 2006/2007	Budget			Note	Actual	
	Original 2007/2008	Adjusted 2007/2008	R		2007/2008	R
REVENUE						
91 037 823	101 915 000	101 915 000		22	101 769 099	91 489 424
856 238	960 830	1 393 870			2 273 054	1 556 139
220 430 005	246 339 974	246 876 514		23	242 515 636	220 439 803
7 033 742	9 776 666	9 955 246			4 184 240	4 622 259
8 549 760	9 252 750	16 791 310			22 467 369	15 127 809
2 786 399	3 766 000	3 766 000			2 531 019	2 399 700
15 519 265	21 632 180	19 426 070			15 348 868	13 721 131
18 408 452	19 513 010	21 358 440			21 651 090	19 307 496
23 570 736	26 556 190	21 305 204		24	48 046 902	55 420 474
24 369 429	26 015 140	27 433 696		25	21 816 948	23 101 124
					4 261 314	5 913 416
					13 187 320	20 917 923
412 561 849	465 727 740	470 221 350			500 052 859	474 016 697
EXPENDITURE						
139 605 538	162 039 276	154 236 357		26	154 149 309	138 283 370
6 793 061	7 118 225	7 749 822		27	7 641 048	8 177 455
15 733 070	11 555 492	11 555 492			11 543 962	15 460 628
3 020 500	600 870	759 010			752 678	2 766 886
35 154 301	51 248 053	51 248 053			40 180 479	35 343 230
16 123 661	22 000 591	23 673 369			25 932 998	22 524 680
3 019 502	3 321 530	3 321 530		28	3 214 351	3 652 527
74 745 275	80 343 250	81 278 250		29	82 587 274	67 924 160
4 227 845	4 155 560	4 064 040		30	4 415 217	4 112 208
108 840 116	119 794 673	129 512 731		31	114 505 856	97 408 704
5 298 980	3 550 220	2 822 696			2 723 422	13 119 226
					0	24 453
					0	987 591
412 561 849	465 727 740	470 221 350			447 646 594	409 785 117
SURPLUS FOR THE YEAR						
				*	52 406 265	64 231 579

Refer to Appendix E(1) for explanation of variances

* See Statement of Changes in Net Assets for Appropriation of Surplus

STELLENBOSCH MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Capital Replacement Reserve (CRR) R	Housing Development Fund R	Capitalisation Reserve R	Government Grant Reserve ex Nat Govt R	Government Grant Reserve ex Prov Govt R	Donations & Public Contr Reserve ex Public Contr R	Donations & Public Contr Reserve ex Other Sources R	Self-Insurance Reserve R	Accumulated Surplus / (Deficit) R	Total R
2006/2007										
Balance at 1 July 2006	97 766 022	10 110 684	174 789 999	16 442 728	53 264 648	93 864 560	474 628 619	4 982 134	65 574 767	991 424 162
Correction of error									14 300 160	14 300 160
Restated balance	97 766 022	10 110 684	174 789 999	16 442 728	53 264 648	93 864 560	474 628 619	4 982 134	79 874 927	1 005 724 322
Surplus for the year									49 931 419	49 931 419
Proceeds from sale of PPE										0
Expenditure related to sale of PPE										0
Transfer to CRR	64 843 573								-64 843 573	0
Property, plant and equipment purchased	-36 989 162								36 989 162	0
Capital grants used to purchase PPE				17 095 180	17 126 988				-40 135 584	0
Contribution to Insurance Reserve										951 457
Insurance claims processed									-269 104	-269 104
Transfer to/from Housing Development Fund		-3 565 476								-3 565 476
Offsetting of depreciation			-21 889 748	-1 132 937	-3 045 676	-8 714 379	-1 184 252		35 966 992	0
Balance at 30 June 2007	125 620 433	6 545 208	152 900 251	32 404 971	67 345 961	85 150 181	479 357 782	5 664 488	97 783 343	1 052 772 618
2007/2008										
Correction of error										0
Restated balance	125 620 433	6 545 208	152 900 251	32 404 971	67 345 961	85 150 181	479 357 782	5 664 488	97 783 343	1 052 772 618
Surplus for the year									52 406 265	52 406 265
Proceeds from sale of PPE										0
Expenditure related to sale of PPE										0
Transfer to CRR	80 789 298								-80 789 298	0
Property, plant and equipment purchased	-54 663 073								54 663 073	0
Capital grants used to purchase PPE				9 451 914	18 793 332				-32 506 560	0
Contribution to Insurance Reserve									2 142 033	2 142 033
Insurance claims processed									-1 107 259	0
Transfer to/from Housing Development Fund		-1 651 824		-15 000 212	-2 951 994	-3 622 236	-7 945 765	-1 711 056	1 107 259	-1 651 824
Offsetting of depreciation									31 231 263	0
Balance at 30 June 2008	151 746 658	4 893 384	137 900 038	38 904 892	82 517 057	77 204 416	481 908 040	6 699 262	123 895 346	1 105 669 093

STELLENBOSCH MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2007/2008 R	2006/2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash Receipts from Ratepayers, Government and Other	32	505 273 576	483 254 975
Cash Paid to Suppliers and Employees		-403 850 899	-387 281 782
Cash Generated from Operations		<u>101 422 677</u>	<u>95 973 193</u>
Interest received		22 467 369	15 127 809
Interest paid		-3 214 351	-3 652 527
NET CASH FROM OPERATING ACTIVITIES		<u><u>120 675 695</u></u>	<u><u>107 448 475</u></u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		-87 169 634	-80 210 339
Proceeds on Disposal of Property, Plant and Equipment		14 957 320	33 303 923
Decrease/(Increases) in Investment Properties		0	0
Decrease/(Increases) in Non-current Receivables		2 583 899	1 041 739
Decrease/(Increases) in Non-current Investments		-13 409	16 478 890
NET CASH FROM INVESTING ACTIVITIES		<u><u>-69 641 823</u></u>	<u><u>-29 385 787</u></u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New Loans Raised / (Repaid)		-4 048 871	429 277
Increase/(Decrease) in Consumer Deposits		28 130	389 221
Increase/(Decrease) in Trust Funds		5 235	3 136
NET CASH FROM FINANCING ACTIVITIES		<u><u>-4 015 506</u></u>	<u><u>821 634</u></u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u><u>47 018 367</u></u>	<u><u>78 884 323</u></u>
Cash and Cash Equivalents at the Beginning of the Year	33	178 259 024	99 374 701
Cash and Cash Equivalents at the End of the Year		<u>225 277 391</u>	<u>178 259 024</u>

**STELLENBOSCH MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

The following set of accounting policies were formulated according to the GAMAP/GRAP statements and being used as the accounting policy notes in the GAMAP/GRAP Annual Financial Statements of Stellenbosch Municipality.

1 BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of General Notice 991 and 992 of 2005.

These Standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Assets
GAMAP 6, 7 and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.	

Accounting policies for material transactions, events or conditions not covered by the above GRAP and/or GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Minister of Finance has, in terms of General Notice 552 of 2007 exempted compliance with certain of the above mentioned standards and aspects or parts of these standards. Details of the exemptions applicable to the municipality have been provided in the notes to the annual statements.

A summary of the significant accounting policies, which have been consistently applied except where an exemption has been granted, are disclosed below.

2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, and all amounts are rounded off to the nearest Rand.

3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

**STELLENBOSCH MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

4 BASIS OF CONSOLIDATION

The municipality does not have any investments in controlled entities, associates or joint ventures. The municipality does therefore not prepare separate consolidated financial statements.

5 HOUSING DEVELOPMENT FUND

Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. This legislated separate operating account will be known as the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4) (d) (ii) (aa) read with, *inter alia*, Section 16(2) that the net proceeds of any letting, sale of property or alienation, financed previously from government housing funds, be accounted for in a separate operating account and be utilised by the Municipality for housing development in accordance with the National Housing Policy.

The following provisions are set for the creation and utilisation of the Housing Development Fund:

- The Housing Development Fund is backed by cash and this cash is invested in accordance with the municipality's investment policy.
- The fund may be utilised for housing developments in accordance with the national housing policy and also for housing development projects approved by the MEC.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund is recorded as interest earned in the notes to the Statement of Financial Performance and is then transferred via the Statement of Changes in Net Assets to the Housing Development Fund.

6 RESERVES

6.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred from the Accumulated Surplus to the CRR. Funds available on the CRR can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the Accumulated Surplus is credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

**STELLENBOSCH MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

6.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the Accumulated Surplus in terms of a directive (budget circular) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the Accumulated Surplus. The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the Accumulated Surplus.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the Accumulated Surplus.

6.3 Government Grants Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants Reserve equal to the government grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of PPE are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of PPE are offset by transfers from this reserve to the accumulated surplus.

When an item of PPE financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus.

6.4 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of PPE are depreciated, a transfer is made from the Donations and Public contributions Reserve to the accumulated surplus. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful lives of the item of PPE financed from donations and public contributions.

**STELLENBOSCH MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

When an item of PPE financed from donations and public contributions is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus.

6.5 Self Insurance Reserve

An Internal Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history.

- Contributions to the fund by departments are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for.
- Insurance premiums paid to external insurers are regarded as an expense and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Insurance Reserve.
- Claims received from external insurers are utilised in the calculation of a gain or loss on the scrapping of damaged assets and are therefore effectively recorded in the Statement of Financial Performance. Replacement assets partially purchased out of the Internal Insurance Reserve, where the external insurance claim does not fully fund the purchase price, result in a transfer being made from the insurance reserve to an FDR Internal Insurance Reserve.
- Claims received from external insurers to meet repairs of damages on assets are reflected as revenue in the Statement of Financial Performance.
- Repair and replacement costs not fully covered by external insurance are financed from the Insurance Reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of Financial Performance. An amount equal to the expense is transferred from the Insurance Reserve to the Accumulated Surplus via the Statement of Changes in Net Assets.
- Incidental expenditure on assets, not externally insured, and ascribable to abnormal wear and tear is financed from the Insurance Reserve. Abnormal wear and tear is defined as abnormal, insurable mechanical damage to assets.
- Excess payments with regards to claims made to external insurers are financed from the Insurance Reserve.

7 TRUST FUNDS

Trust funds reflected on the Statement of Financial Position represent funds held by the municipality on behalf of or for the benefit of third parties outside of the municipality and are governed by the following rules:

- Each trust is evidenced by a legal trust document.
- The municipality is a trustee of the trust.
- The municipality is represented as a trustee of the trust through its officials or councillors, who have signed letters of consent to act as trustees on behalf of the municipality.

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8 PROPERTY, PLANT AND EQUIPMENT (PPE)

PPE is stated:

- ◆ At cost less accumulated depreciation where assets are purchased, or
- ◆ At fair value at date of acquisition, less accumulated depreciation where assets have been acquired by grant or donation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded, or the further development of an asset so that its original life is extended, both are examples of subsequent expenditure which may be capitalised.

Depreciation

Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated lives:

	Years		Years
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and	
Improvements	30	Equipment	10-15
Recreational Facilities	20-30	Other plant and	
Security	5	Equipment	2-5

Heritage assets, which are defined as culturally significant resources such as works of art, historical buildings and statues are not depreciated as they are regarded as having an infinite life. Land is also not depreciated for the same reason.

Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.

The carrying amount of an item or a group of identical items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognised as an expense immediately and charged as an impairment loss to the Statement of Financial Performance.

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The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation in accordance with the municipality's policy on provisions.

Disposal of assets

- ◆ Assets are written off on disposal.
- ◆ The difference between the book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance. In certain instances the sales proceeds on the sale of assets may be transferred to the Capital Replacement Reserve (CRR). These instances are discussed under the accounting policy note regarding the CRR.

The Accounting Policy for Property, Plant and Equipment for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

9 INTANGIBLE ASSETS

Intangible assets are treated in accordance with the provisions of IAS 38. Intangible assets are classified as Non Current Assets on the Statement of Financial Position. Intangible assets are initially recorded at their cost price and are subsequently amortised over their expected useful lives. An intangible asset is defined as an identifiable non – monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

- Computer Software 3 years.

The Accounting Policy for Intangible Assets for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

10 NON-CURRENT ASSETS HELD FOR SALE

A non-current asset or a groups of non-current assets (disposal group) is classified as being held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. To be classified as held for sale, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell. Assets held for sale are not to be depreciated, however, they are subject to testing for indicators of impairment. Any subsequent write-downs in

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Assets held for Sale are to be recognised as impairment losses. Any subsequent increase in the net fair value of an Asset held for Sale is recognised as a gain.

The Accounting Policy for Non-Current Assets Held for Sale for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

11 INVESTMENT PROPERTY

Investment property, which is property held for capital appreciation, is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is 30 years.

However, property is only recognised as investment property when it is certain that it meets the definition of investment property, and that until this has been done, the property has been included as PPE in the annual financial statements.

The Accounting Policy for Investment Property for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

12 BIOLOGICAL ASSETS

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point- of- sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance.

13 INVESTMENTS

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short term deposits invested in registered commercial banks, are stated at cost.

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Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

14 INVENTORIES

Inventories consist of consumables, raw materials, work in progress, finished goods and water stock which are valued at the lower of cost, determined on the weighted average basis, and net realisable value. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water stock consists of all purchased water that is at hand at financial year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Cost also includes a portion of overhead costs if the costs occur frequently and are separately identifiable. As the municipality had not finalized the process of identifying unsold properties as inventory for reporting purposes, these items are included in Property, Plant and Equipment. These items will be transferred to inventory once they have been identified as inventory in terms of the definition in GAMAP 12

Cost of inventories comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to its present location and condition.

Redundant and slow moving inventories are identified and written down with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

The Accounting Policy for Inventories for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

15 ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

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16 TRADE CREDITORS

Trade creditors are stated at their nominal value.

17 REVENUE RECOGNITION

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably.

- 17.1 Revenue from rates and basic charges is recognized when the legal entitlement to this revenue arises. Land and improvement rating systems are applied. In terms of these systems assessment rates are levied on the land and improvement values of property and rebates are granted subject to certain conditions. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers.
- 17.2 Collection charges are recognized when such amounts are incurred.
- 17.3 Interest on outstanding debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days.
- 17.4 Service charges relating to electricity and water are based on consumption. Meters are read and billed on a monthly basis and revenue is recognized when invoiced. Estimates of consumption are made monthly when meter readings have not been performed. The estimates of consumption are recognized as revenue when invoiced. Adjustments to estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognized as revenue in the invoicing period.
- 17.5 Revenue from spot fines is recognised when payment is received. Revenue from the issuing of summonses is only recognised when notified by the public prosecutor of the amount actually collected.
- 17.6 Various services are provided on a prepayment basis in which case no formal billing takes place and income is accrued when received.
- 17.7 Income in respect of housing rental and instalments are accrued monthly in advance.
- 17.8 Interest earned on investments is recognised in the Statement of Financial Performance on a time proportionate basis that takes into account the effective yield on the investment. Interest earned on the following investments is not recognised in the Statement of Financial Performance:

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- Interest earned on unspent conditional grants is allocated directly to the creditor: unspent conditional grants if the grant conditions indicate that interest is payable to the funder.
- Interest earned on Trust Funds is allocated directly to the fund and is not recognised in the Statement of Financial Performance.

17.9 Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

17.10 Government Grants are recognised as revenue when all conditions associated with the grant have been met. Where grants have been received but the Municipality has not met the condition, a liability is created.

17.11 Commission earned on the receipt of motor vehicle registration and licence fees received on behalf of the Department of Transport is accounted for as revenue when the fees are received by the municipality.

The Accounting Policy for Revenue Recognition for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

18 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

Unspent conditional grants are reflected on the Statement of Financial Position as a current liability – Unspent Conditional Grants. They represent unspent government grants, subsidies and contributions from the public. This liability always has to be backed by cash. The following provisions are set for the creation and utilisation of this liability:

- The cash which backs up the liability is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

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- Whenever an asset is purchased out of the unspent conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unspent Conditional Grant into the Statement of Financial Performance as revenue. Thereafter an equal amount is transferred on the Statement of Changes in Net Assets to a reserve called a future depreciation reserve (FDR). This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unspent Conditional Grants. The various FDRs are used to offset depreciation charged on assets purchased out of the Unspent Conditional Grants.

The Accounting Policy for Conditional Grants and Receipts for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

19 PROVISIONS

A provision is recognised when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

19.1 Post Retirement Medical Benefits

Council provides certain post retirement medical aid benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which Council is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% of the medical aid membership fee, and Council for the remaining 70%.

A post retirement medical aid benefit provision is maintained by Council. An actuarial valuation was performed during June 2008. The liability determined as a result of the actuarial valuation will be revised on a bi-annual basis. The provision for the liability will be phased in over a 5 year period, which has been put on hold in accordance with the exemption as stipulated in Government Gazette 30013.

The Accounting Policy for Post Retirement Medical Benefits for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

19.2 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

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19.3 Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

19.4 Provision for removal of alien vegetation

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

19.5 Provision for constructive obligations (Grant in aid contributions)

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

20 CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

For the purposes of the cash flow statement, cash and cash equivalents comprises of cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

21 LEASES

21.1 The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the local authority.

Operating leases are those leases which do not fall within the scope of the above definition. Payments made under operating leases are charged to the Statement of Financial Performance on the basis of the cash flows in the lease agreements.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment

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using the effective interest rate method. Lease finance costs are expensed when incurred.

The Accounting Policy for Leases for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

22 BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

23 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

24 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), and the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

25 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

26 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade Creditors denominated in foreign currency are reported at Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

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Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

The municipality has no and has not entered into any foreign currency transactions during the financial year.

27 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised initially as cost. To cover the municipality against interest rate risk and credit risk, interest rates on all external loans are fixed.

The Accounting Policy for Financial Assets and Liabilities for 2007/2008 agrees with that applied in 2006/2007, and is in accordance with the exemptions of Gazette No. 30013 of 29 June 2007 which is still applicable.

28 VALUE ADDED TAX

The Council accounts for Value Added Tax on the cash (receipt) basis.

29 COMPARATIVE INFORMATION

29.1 Current year comparatives

Budgeted amounts have been included in the annual financial statements for the current financial year only.

29.2 Prior year comparatives

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed, please refer to note 35.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 R	2006/2007 R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	4 893 384	6 545 208
Unappropriated Surplus/(Deficit)	-3 710 215	-2 749 656
Loans extinguished by Government on 1 April 1998	8 603 599	9 294 864
The Housing Development Fund is represented by the following assets and liabilities		
Instalment Sales Debtors (see note 15)	2 877 924	3 691 073
Consumer Debtors (see note 17)	4 574 011	4 597 887
Cash and cash equivalents (see note 32)	-2 558 550	-1 743 752
Total Housing Development Fund Assets and Liabilities	4 893 384	6 545 208
2 LONG TERM LIABILITIES		
Local Registered Stock Loans	0	774 319
Annuity Loans	30 478 641	33 598 638
Capitalised Lease Liabilities	0	154 555
Sub-Total	30 478 641	34 527 512
Less: Current portion transferred to current liabilities	3 472 854	3 368 352
Local Registered Stock Loans	0	93 800
Annuity Loans	3 472 854	3 119 997
Lease Liabilities	0	154 555
Total External Loans	27 005 787	31 159 160
Refer to Appendix A for more detail on long-term liabilities.		
3 NON-CURRENT PAYABLES		
Conditional Funds		
- Desmond Claassen	67 527	67 527
- Ex Gratia Pensioenfonds (BDM)	103 387	103 387
Other creditors	654 894	654 894
Total Non-current Payables	825 807	825 807
4 NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Tip-site	234 077	184 385
Post Retirement Medical Benefits	17 587 200	17 587 200
Total Non-Current Provisions	17 821 277	17 771 585
The movement in the provisions are reconciled as follows:		
Balance at beginning of year	17 771 585	17 756 315
Contributions to provisions	49 692	15 270
Expenditure incurred		
Balance at end of year	17 821 277	17 771 585

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2007/2008 **2006/2007**
R **R**

Post Retirement Medical Benefits is a defined contribution plan. The valuation will be revised on a bi-annual basis and phased in over a five year period. This phase in process has been ceased after taking the exemption of Government Gazette 30013 on this standard into consideration. The accrued liability is summarised as follows:

Continuation members	50 042 000	50 042 000
In-service members	39 046 000	39 046 000
	<u>89 088 000</u>	<u>89 088 000</u>

Reconciliation of Assets and Liabilities

Present value of funded obligations	17 587 200	17 587 200
Fair value of plan assets	71 500 800	71 500 800
Present value of unfunded obligations	89 088 000	89 088 000
Present value of obligations in excess of plan assets	71 500 800	71 500 800
Unrecognised transitional liability	71 500 800	71 500 800
Unrecognised actuarial gains/(losses)		
Unrecognised past service cost		
Net liability in Statement of Financial Position	17 587 200	17 587 200

5 CONSUMER DEPOSITS

Electricity and water	6 521 484	6 666 803
Housing	365 924	192 475
Total Consumer Deposits	6 887 408	6 859 278
Guarantees held in lieu of Electricity and Water Deposits	1 705 179	1 717 673

6 PROVISIONS

Grant-in-aid - Sundry	586 289	484 064
Grant-in-aid - Marketing	2 120 044	2 480 169
Grant-in-aid - Animal Welfare Society	404 940	402 167
Grant-in-aid - Property Rates	774 110	327 467
Grant-in-aid - Rentals	226 124	240 999
Cleaning Illegal Dumping	1 100 000	650 000
Alien Vegetation	614 235	1 035 785
Total Provisions	5 825 742	5 620 651

The movement in current provisions are reconciled as follows:

Balance at beginning of year	5 620 651	5 159 316
Contributions to provisions	3 086 467	4 369 457
Expenditure incurred	-4 881 376	-3 908 122
Balance at end of year	3 825 742	5 620 651

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	2007/2008	2006/2007
	R	R
7 CREDITORS		
Trade creditors	13 403 895	8 101 976
Payments received in advance	11 487 660	10 257 610
Sundry deposits	424 155	365 085
Other creditors	12 184 512	4 305 433
Conditional Funds		
- Desmond Claassen	3 248	1 508
- Sardien/Groenewald	362 491	341 379
Unutilised operating receipts		
- Masakhane (Equitable Share)	0	251 866
- Plankenborg River Clean-up	0	9 657
- LGWSETA Training	413 514	665 999
- Pilot Site	442 856	1 097 222
- Cemetery Donation	2 200	2 200
- Marais Park Bequest	20 000	20 000
- Don & Pat Bilton Clinic	175 470	159 084
- Franschhoek Land Claims	1 573 360	1 715 491
- Franschhoek Belgium Development	7 100	7 100
- Dilbeek	85 439	138 055
- Growth Management Strategy	606 789	623 289
- Western Cape Water Quality	304 517	304 517
- Leuven Study Grant	23 485	30 060
- NLDTF Bergzicht Training Centre	17 760	17 760
- CWDM Elect Assets Valuation	0	1 000
- Library Services Support Grant	35 595	0
- Housing Consumers Education	47 861	0
Leave Gratuity - Rates Services	8 720 594	8 988 213
Leave Gratuity - Water services	622 760	641 872
Leave Gratuity - Electricity Services	613 414	632 238
Total Creditors	51 578 673	38 678 615

8 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional Grants from other spheres of Government	44 228 393	29 609 638
National Government Grants	25 794 352	26 749 346
Provincial Government Grants	17 978 673	2 258 674
Other Sources	455 369	601 618
Other Conditional Receipts	20 856 859	13 191 555
Developers Contribution - Sewerage	2 019 408	766 262
Developers Contribution - Roads	1 570 581	810 231
Developers Contribution - Electricity	9 212 435	4 668 654
Developers Contribution - Water	2 632 288	1 545 981
Developers Contribution - Open Areas	170 232	168 408
Developers Contribution - Parking	1 485 310	1 465 412
Developers Contribution - General	117 753	117 753
Franschhoek: Medium Cost Housing	0	0
Franschhoek: Low Cost Housing (Phase 2)	301 300	301 300
Frandevco: Development Rights	3 347 553	3 347 553
Total Conditional Grants and Receipts	65 085 253	42 801 193

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2007/2008
R

2006/2007
R

The balances of the Unspent Conditional Grants and Receipts can be reconciled as follow:

	Balance on	Income	Other Expenditure	Capital Expenditure	Balance on
	01/07/2007			R	30/06/2008
	R	R	R	R	R
National Government Grants	26 749 346	8 496 920		9 451 914	25 794 352
Provincial Government Grants	2 258 674	34 513 331		18 793 332	17 978 673
Other Sources	601 618	589 586		735 836	455 369
Dev Contr - Sewerage	766 262	1 645 144		391 998	2 019 408
Dev Contr - Roads	810 231	1 736 555		976 205	1 570 581
Dev Contr - Electricity	4 668 654	5 632 016		1 088 235	9 212 435
Dev Contr - Water	1 545 981	2 155 346		1 069 040	2 632 288
Dev Contr - Open Areas	168 408	1 824			170 232
Dev Contr - Parking	1 465 412	19 897			1 485 310
Dev Contr - General	117 753				117 753
Franschhoek: M/Cost Housing	0				0
Franschhoek: L/Cost Housing	301 300				301 300
Frandevco: Development Rights	3 347 553				3 347 553
	42 801 193	54 790 620	0	32 506 560	65 085 253

The receipt and spending of Government Grants are being monitored by National and Provincial Government and reports in this regard have to be submitted to them quarterly. See also Note 23 for Grants received from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilized.

9 VAT

VAT payable	2 740 397	3 397 293
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VAT is payable on the cash (receipt) basis. Only once payment is received from debtors is VAT paid over to SARS.

10 SHORT-TERM LOANS

Call Bonds	0	0
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STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

		2007/2008	2006/2007
		R	R
11 PROPERTY, PLANT AND EQUIPMENT			
		Cost or Revaluation	Accumulated Depreciation
		R	R
30 June 2008			
Infrastructure		440 443 255	194 436 113
Community		343 054 352	219 802 917
Other		698 164 058	97 097 340
Total Property, Plant and Equipment		1 481 661 666	511 336 370
30 June 2007			
Infrastructure		406 933 982	174 959 690
Community		334 007 651	212 915 189
Other		656 402 837	83 707 425
Total Property, Plant and Equipment		1 397 344 470	471 582 304
Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.			
Included in PPE above are land and buildings that may meet the definition of investment property, but have been included as PPE because the municipality had not finalized the process of identifying investment property for reporting purposes. These items will be transferred to investment property once they have been identified as investment property in terms of the definition in IAS 40 (AC 135).			
Included in PPE above are items that may meet the definition of inventory, but have been included as PPE because the municipality had not finalized the process of identifying inventory for reporting purposes. These items will be transferred to inventory once they have been identified as inventory in terms of the definition in GAMAP 12.			
12 INTANGIBLE ASSETS			
		Cost or Revaluation	Accumulated Depreciation
		R	R
30 June 2008			
Computer Software		5 027 619	3 594 415
Total Intangible Assets		5 027 619	3 594 415
30 June 2007			
Computer Software		3 945 181	3 168 002
Total Intangible Assets		3 945 181	3 168 002
13 INVESTMENT PROPERTY			
Cost		0	0
Total Investment Property		0	0
14 BIOLOGICAL ASSETS			
Plantations		15 000 000	15 000 000
Total Biological Assets		15 000 000	15 000 000
Plantations consist of 273 hectares of pine trees held for sale, of which 206 hectares are markable timber and 67 hectares are young stands. The fair value of plantations are based on the net realisable value on the sale of the asset.			
The movement in biological assets are reconciled as follows:			
Balance at beginning of year		15 000 000	16 500 000
Less: Cost of plantations sold		0	1 500 000
Balance at end of year		15 000 000	15 000 000

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R
15 INVESTMENTS		
Listed		
RSA Government Stock	<u>0</u>	<u>0</u>
Unlisted		
Investment in Municipal Entities	<u>0</u>	<u>0</u>
Financial Instruments		
Fixed Deposits	808 029	808 029
Other Deposits	505 290	491 881
Total Cash Investments	<u>1 313 319</u>	<u>1 299 910</u>
Total Investments	<u>1 313 319</u>	<u>1 299 910</u>

Included in the fixed deposits is an investment at New Republic Bank, which is currently under curatorship. The curators indicated that a dividend of 45 cents in the rand will be paid to the depositors. The investment has been impaired accordingly.

16 LONG-TERM RECEIVABLES

Land sales	341 494	433 510
Officials: Car loans	62 027	287 243
Officials: Erven loans	79 855	84 705
Farmers: Water scheme	432 900	439 806
Sport clubs	0	1 441 764
Housing selling scheme loans	<u>2 877 924</u>	<u>3 691 073</u>
	3 794 200	6 378 099
Less: Current portion transferred to current receivables	401 632	699 339
Land sales	100 669	95 375
Officials: Car loans	29 735	187 858
Officials: Erven loans	5 146	4 847
Farmers: Water scheme	6 906	6 006
Sport clubs	0	117 061
Housing selling scheme loans	<u>259 176</u>	<u>288 193</u>
Total Non-Current Loans	<u>3 392 568</u>	<u>5 678 760</u>

CAR LOANS

Senior staff were entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum period of 6 years. These loans are repayable in the year 2010.

HOUSING SELLING SCHEME LOANS

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years. These loans will be repaid by the year 2010.

17 INVENTORY

Consumable stores	6 268 322	7 046 247
Water stock	42 709	48 125
Total Inventory	<u>6 311 031</u>	<u>7 094 372</u>

Water stock consists of all purchased water that is at hand at financial year-end.

Stellenbosch Municipality's storage dams contained 2 375 000 kl water at 30 June 2008, which was acquired from rainfall. Therefore no cost was incurred in the acquisition thereof.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R
18 CONSUMER DEBTORS		
Service debtors	54 959 337	57 620 657
Rates	16 266 292	17 867 185
Electricity	13 735 830	13 475 863
Water	10 586 360	11 426 724
Sewerage	6 231 072	7 102 988
Refuse	8 139 782	7 747 896
Housing	16 749 277	17 754 534
Less: Provision for bad debts	39 394 085	45 338 085
Rates	10 798 422	12 087 178
Refuse	4 042 894	4 883 679
Sewerage	4 015 226	4 969 886
Water	4 684 537	6 203 523
Electricity	3 677 739	4 037 172
Housing	12 175 267	13 156 647
Total	32 314 529	30 037 105
Rates: Ageing		
Current (0 - 30 days)	3 359 950	4 629 221
31 - 60 Days	556 636	549 029
61 - 90 Days	395 146	302 448
91 - 120 Days	327 371	257 832
+ 120 Days	10 775 041	12 128 656
Total	15 414 145	17 867 185
Trading Services (Electricity and Water): Ageing		
Current (0 - 30 days)	9 464 371	9 949 257
31 - 60 Days	1 222 988	1 338 542
61 - 90 Days	781 643	813 920
91 - 120 Days	752 501	817 723
+ 120 Days	9 700 343	11 983 146
Total	21 921 847	24 902 587
Economic Services (Sewerage and Refuse): Ageing		
Current (0 - 30 days)	2 770 017	2 023 169
31 - 60 Days	458 356	292 043
61 - 90 Days	367 302	218 715
91 - 120 Days	512 444	181 120
+ 120 Days	9 560 206	12 135 836
Total	13 668 326	14 850 884
Housing: Ageing		
Current (0 - 30 days)	681 683	410 006
31 - 60 Days	348 768	617 579
61 - 90 Days	326 855	281 140
91 - 120 Days	308 220	281 477
+ 120 Days	14 910 863	16 164 331
Total	16 576 390	17 754 534
Reconciliation of Bad Debt Provision:		
Balance at beginning of year	45 338 085	29 877 458
Contributions to provisions	11 543 962	15 460 628
Bad debts written off against provision	-17 487 963	0
Balance at end of year	39 394 085	45 338 085

Debtors to the amount of R16 000 000,00 have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them (See Annexure A).

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 R	2006/2007 R
19 OTHER DEBTORS		
Sundry	3 312 191	2 881 537
VAT Receivable	2 706 382	4 491 831
Other - Closing of financial year	1 152 045	3 303 369
Recoverable work	1 331 907	1 371 147
Capital Debtors	22 615 303	26 627 963
Other Debtors	100 766	40 889
Total Other Debtors	31 218 595	38 716 736

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

20 CALL INVESTMENT DEPOSITS

Other Deposits	208 597 549	170 294 247
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21 BANK BALANCES AND CASH

The Municipality has the following bank accounts:

ABSA Bank - Stellenbosch Branch		
Account Number 410 188 031 - Primary Bank Account		
Account Number 407 007 5635 - Municipal Services		
Account Number 407 157 9787 - Traffic Account		
 Cash book balance at beginning of year	7 911 102	3 039 057
Cash book balance at end of year	<u>16 647 242</u>	<u>7 911 102</u>
 Bank statement balance at beginning of year	14 723 113	10 741 589
Account Number 410 188 031 - Primary Bank Account	<u>12 314 945</u>	<u>14 723 113</u>
Account Number 407 157 9787 - Traffic Account	47 631	0
Bank statement balance at end of year	<u>12 362 576</u>	<u>14 723 113</u>

22 PROPERTY RATES

Actual		
Residential	57 176 536	50 597 184
Commercial	42 025 451	38 747 003
Agricultural	<u>11 017 347</u>	<u>8 815 737</u>
 Less: Exempted properties	110 219 333	98 159 924
	<u>6 330 911</u>	<u>6 670 500</u>
 Less: Provision for Revenue Recognition	103 888 422	91 489 424
Total Assessment Rates	2 119 323	0
	<u>101 769 099</u>	<u>91 489 424</u>
 Valuations		
Residential	7 898 623 980	7 135 173 764
Commercial	4 195 349 751	4 666 488 555
Agricultural	<u>3 978 201 464</u>	<u>3 901 928 350</u>
Total Property Valuations	<u>16 072 175 195</u>	<u>15 703 590 669</u>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2005. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of 0,9638 c/R (2006/2007: 0,9092 c/R) is applied to property valuations to determine assessment rates. Rebates of 15% are granted to pensioners earning less than R3 000 per month and 10% to pensioners with a monthly income between R3 001 and R3 500. Rates are levied on an annual basis and can be paid in instalments or annually. The final date of payment for annual rates was 8 October 2007. Interest at prime + 1% is levied on outstanding rates.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R
23 SERVICE CHARGES		
Sale of electricity	149 609 151	138 230 973
Sale of water	44 731 746	44 257 555
Refuse removal	20 643 096	18 474 250
Sewerage and sanitation charges	32 685 654	22 972 805
	<hr/>	<hr/>
Less: Provision for Revenue Recognition	247 669 646	223 935 583
Electricity	5 154 010	3 495 781
Water	0	1 664 834
Refuse	2 352 890	526 665
Sewerage	1 764 985	1 304 282
	<hr/>	<hr/>
Total Service Charges	242 515 636	220 439 803
24 GOVERNMENT GRANTS AND SUBSIDIES		
Equitable share	17 275 599	15 110 532
Growth management strategy	16 500	11 711
Provincial health subsidies	462 429	5 284 542
Performance management	0	70 800
Financial Management Grant	904 366	473 678
LGWSETA Training	699 230	245 615
Infrastructure Roads & Stormwater	0	0
Housing Consumers	639	0
Electricity Asset Valuation	1 000	0
Special Clean-up Operations	9 657	0
Magazine subsidy	2 456	1 428
Libraries Services Support	329 015	0
CDW Support	100 766	0
Proclaimed roads maintenance	0	0
National Government - Capital Projects	9 451 914	17 095 180
Provincial Government - Capital Projects	18 793 332	17 126 988
Total Government Grant and Subsidies	48 046 902	55 420 474

Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents received a monthly subsidy of R161,31, which was funded from this grant.

Provincial health subsidies

The Municipality rendered health services on behalf of the Provincial Government up to July 2007. All expenditure incurred was submitted and refunded to the amounts stated in the Appendices.

Financial Management Grant

The Municipality received Financial Management Grants for the implementation of National Treasury's Local Government Financial Reform Project. The largest portion of these funds is used for the implementation of GAMAP/GRAP.

LGWSETA Training

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

National and Provincial Government - Capital Projects

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The main funds received for these purposes are from the National Housing Board, Municipal Infrastructure Grant, Department of Mineral and Energy and Department of Transport.

See Appendix F for a reconciliation of grants received and expended.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 R	2006/2007 R
25 OTHER INCOME		
Included in other income are the following:		
Wood sales	1 585 497	1 347 762
Building plan fees	2 391 961	2 792 385
Contributions from reserves & operational grants	9 365 425	10 667 165
Sundry	8 474 064	8 293 812
Total Other Income	<u>21 816 948</u>	<u>23 101 124</u>
26 EMPLOYMENT RELATED COSTS		
Salaries and allowances	108 805 532	96 458 003
Social contributions	26 518 016	24 516 040
Travel, motor car and other allowances	4 734 416	3 332 065
Housing benefits and allowances	2 022 630	1 240 275
Overtime payments	6 054 118	5 784 327
Performance bonus/ Long-service awards	2 283 228	1 632 801
Leave bonus	7 786 949	7 106 726
Total Employee Related Costs	<u>158 204 889</u>	<u>140 070 237</u>
Less: Charged out to capital projects	-4 055 581	-1 786 867
	<u>154 149 309</u>	<u>138 283 370</u>
Remuneration of the Municipal Manager		
Annual Remuneration	541 663	294 000
Performance Bonus	58 100	0
Housing Allowance	72 000	0
Car Allowance	132 144	66 072
Contributions to UIF, Medical and Pension Funds	158 949	67 868
Telephone Allowance	18 000	0
Leave	49 469	0
Severance Package	1 677 666	0
Total	<u>2 707 991</u>	<u>427 940</u>
Remuneration of the Deputy Municipal Manager		
Annual Remuneration	243 573	513 447
Performance Bonus	0	72 576
Car Allowance	39 000	78 002
Contributions to UIF, Medical and Pension Funds	50 769	99 494
Telephone Allowance	4 152	0
Severance Package	391 015	0
Total	<u>728 508</u>	<u>763 518</u>
Remuneration of the Chief Financial Officer		
Annual Remuneration	451 932	450 260
Performance Bonus	92 105	31 680
Car Allowance	142 234	73 859
Contributions to UIF, Medical and Pension Funds	118 383	114 595
Leave	0	100 585
Total	<u>804 654</u>	<u>770 980</u>
Remuneration of Director Planning and Development Services		
Annual Remuneration	413 296	388 436
Performance Bonus	19 956	0
Car Allowance	90 000	56 280
Contributions to UIF, Medical and Pension Funds	109 643	53 575
Leave	0	3 889
Total	<u>632 895</u>	<u>502 180</u>
Remuneration of Executive Director Public Works Services		
Annual Remuneration	0	151 248
Performance Bonus	0	10 000
Car Allowance	0	51 000
Contributions to UIF, Medical and Pension Funds	0	1 469
Lump Sum Tax	0	101 124
Leave	0	16 291
Total	<u>0</u>	<u>331 132</u>

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 R	2006/2007 R
Remuneration of the Director Electrical Engineering Services		
Annual Remuneration	551 247	416 963
Performance Bonus	30 702	18 760
Car Allowance	78 000	71 822
Contributions to UIF, Medical and Pension Funds	21 010	61 606
Settle Cost	7 000	48 600
Total	<u>687 959</u>	<u>617 752</u>
Remuneration of the Director Civil Engineering Services		
Annual Remuneration	540 535	126 147
Performance Bonus	24 254	0
Car Allowance	90 000	22 500
Contributions to UIF, Medical and Pension Funds	114 300	26 259
Total	<u>769 089</u>	<u>174 906</u>
Remuneration of the Director Social Development Services		
Annual Remuneration	485 216	472 916
Performance Bonus	85 965	31 680
Car Allowance	54 000	42 551
Contributions to UIF, Medical and Pension Funds	125 560	116 726
Leave	0	34 002
Total	<u>750 741</u>	<u>697 875</u>
Remuneration of the Director Community Services		
Annual Remuneration	0	352 036
Performance Bonus	0	118 688
Car Allowance	0	75 401
Contributions to UIF, Medical and Pension Funds	0	62 956
Total	<u>0</u>	<u>609 081</u>
Remuneration of the Director Community Safety Services		
Annual Remuneration	430 734	466 921
Performance Bonus	19 956	55 532
Car Allowance	78 000	63 958
Contributions to UIF, Medical and Pension Funds	104 288	95 472
Leave	8 649	0
Total	<u>641 627</u>	<u>681 882</u>
Remuneration of the Director Strategic Services		
Annual Remuneration	380 202	382 234
Performance Bonus	26 608	0
Car Allowance	86 496	68 570
Contributions to UIF, Medical and Pension Funds	79 953	68 332
Settle Costs	18 000	48 000
Total	<u>591 259</u>	<u>567 137</u>
Remuneration of the Director Corporate Services		
Annual Remuneration	450 681	409 588
Performance Bonus	23 026	56 858
Car Allowance	90 000	94 248
Contributions to UIF, Medical and Pension Funds	91 645	112 841
Settle Costs	45 000	0
Total	<u>700 352</u>	<u>673 534</u>
Remuneration of the Director Integrated Human Settlement Services		
Annual Remuneration	481 921	113 450
Performance Bonus	58 412	0
Car Allowance	66 360	16 590
Contributions to UIF, Medical and Pension Funds	108 214	25 558
Total	<u>714 907</u>	<u>155 599</u>

The abovementioned disclosures reflect senior management remuneration during the period of transformation from a macrostructure of 5 directorates to one of 10 directorates.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R
27 REMUNERATION OF COUNCILLORS		
Executive Mayor	299 254	311 434
Deputy Executive Mayor	258 536	291 332
Speaker	182 230	149 606
Mayoral Committee Members	1 191 743	1 418 056
Councillors	2 699 065	2 792 867
Medical aid contributions	143 868	121 281
Pension contributions	567 447	584 394
Travelling expenses	1 841 522	1 833 976
Housing allowance	82 804	258 912
Telephone allowance	374 579	357 569
Office accommodation	0	58 028
Total Councillors' Remuneration	7 641 048	8 177 455

In-kind Benefits

The Executive Mayor, Deputy Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties. Councillors may utilize official Council transportation when engaged in official duties.

28 INTEREST PAID

Long-term liabilities	3 214 351	3 652 527
Total Interest on External Borrowings	3 214 351	3 652 527

29 BULK PURCHASES

Electricity	73 128 674	58 583 911
Water	9 458 600	9 340 249
Total Bulk Purchases	82 587 274	67 924 160

30 GRANTS AND SUBSIDIES PAID

Sundry Grants	598 590	501 775
Grant to Tourism Associations	2 000 000	2 154 960
Grant to SPCA	404 940	515 650
Grant to Rates Exemptions	1 064 176	546 770
Grant to Festivals	173 950	96 000
Grant to Rentals	173 561	186 050
Grant to Policing	0	111 003
Grant to Community Incentives	0	0
Total Grants and Subsidies	4 415 217	4 112 208

Sundry grants are grants paid to several deserving institutions that deliver services to the community.

Grants to Tourism Associations are for all these associations in the whole municipal area to help them with the marketing of the area as a tourist destination.

Grants to SPCA are made to help them in the care of neglected animals.

Grants to Rates Exemptions and Rentals are given to people who qualify for discounts on their annual rates and rental in terms of Council's approved policy hereon.

Grants to Festivals are Council's contribution to all festivals that are held in the municipal area and that helps with the marketing thereof.

Grants to Policing are Council's contribution to neighbourhood watches in assisting crime prevention in the municipal area.

Grants to Community Incentives are incentives paid to consumers and rate payers who pay their monthly accounts on a regular basis.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R
31 GENERAL EXPENSES		
Included in general expenses are the following:		
Administration Costs	52 131 300	56 371 656
Insurance	2 918 823	2 737 671
Agency Services	10 462 007	10 101 005
Fuel and Oil	5 981 609	5 119 703
Municipal Services	9 986 016	11 039 173
Free Basic Services	11 286 878	9 439 078
Consulting Fees	5 050 784	3 415 817
Vehicle Licensing Fees	15 396 227	14 494 271
Medical Aid Pensioners	3 309 924	2 972 296
Telephone and Cell Phone	3 375 336	3 132 726
Free Bulk Services	6 240 586	6 740 792
Cost of Sale of Plantations	0	1 500 000
Recoverable Costs	3 448 460	3 303 074
Sundry Expenses	38 186 791	24 385 748
	167 774 741	154 753 010
Less: Charged Out	-53 268 885	-57 344 306
	114 505 856	97 408 704

32 CASH GENERATED FROM OPERATIONS

Net surplus for the year	52 406 265	49 931 419
Adjustment for:		
Depreciation	40 180 479	35 343 230
Gain on disposal of property, plant and equipment	-13 187 320	-20 917 923
Loss on disposal of property, plant and equipment	0	24 453
Appropriations charged against income:		
Insurance reserve	1 034 774	682 353
Housing schemes	-1 006 321	-2 787 350
Investment income	-22 467 369	-15 127 809
Interest paid	3 214 351	3 652 527
Non-operating income/(expenditure)		
Housing Development Fund	-645 503	-778 126
Reserves	1 107 259	-35 343 230
Operating surplus before working capital changes	60 636 616	14 679 545
(Increase)/Decrease in inventories	783 341	0
(Increase)/Decrease in debtors	-2 277 424	0
(Increase)/Decrease in other debtors	7 498 141	0
Increase/(Decrease) in provisions	254 783	-37 692 396
Increase/(Decrease) in conditional grants and receipts	22 284 059	0
Increase/(Decrease) in VAT	-656 897	-3 397 293
Increase/(Decrease) in creditors	12 900 057	-39 504 422
Cash generated by operations	101 422 677	-65 914 567

33 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash	16 647 242	7 911 102
Cash on hand	32 600	53 675
Call investment deposits	208 597 549	170 294 247
Net increase/(decrease) in cash and cash equivalents	225 277 391	178 259 024

Stellenbosch Municipality has an approved overdraft facility of R3 000 000 at ABSA Bank.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 R	2006/2007 R
34 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term liabilities (see Note 2)	30 478 641	34 527 512
Used to finance property, plant and equipment - at cost	-30 478 641	-34 527 512
Sub-total	0	0
Cash set aside for the repayment of long-term liabilities	-8 179 716	-6 406 441
Cash invested for repayment of long-term liabilities	-8 179 716	-6 406 441

External loans have been utilized in accordance with the Municipal Finance Management Act (Act No. 56 of 2003). Sufficient cash has been set aside to ensure that external loans can be repaid on redemption date.

35 RESTATEMENT OF PRIOR YEAR ERRORS

Provision for Post Retirement Benefits which was not allowed in terms of Government Gazette 30013, has been rectified, and the comparative amounts have been restated as follows:

	Previously reported 2006/2007	Amount of correction 2006/2007	Restated 2006/2007
Contributions to/(transfers from) provisions			
Post Retirement Benefits	14 300 160	-14 300 160	0
Net effect on surplus/(deficit) for the year	<u>14 300 160</u>	<u>-14 300 160</u>	<u>0</u>
Non-current liabilities			
Non-current provisions	31 887 360	-14 300 160	17 587 200
Net effect on non-current liabilities	<u>31 887 360</u>	<u>-14 300 160</u>	<u>17 587 200</u>

36 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

During the period under review no irregular, fruitless and wasteful expenditure were reported to the relevant authorities in terms of Section 32 of the MFMA, 2003 (Act No. 56 of 2003)

Unauthorised expenditure to the amount of R 22 767 457 in terms of overspending of the total amount appropriated for a vote in the approved budget will be reported to the relevant authorities.

37 DEVIATIONS FROM SUPPLY CHAIN POLICY

Contracts to the value of R3 576 786.97 were awarded on the basis of deviations duly signed off by the Chief Financial Officer and Accounting Officer in terms of the Supply Chain Management Regulation 36 (2).

38 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to SALGA

Opening balance	0	0
Council subscriptions	586 328	455 809
Amount paid - current year	-586 328	-455 809
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

Audit fees

Opening balance	0	0
Current year audit fee i.r.o. previous year's audit	964 524	820 986
Amount paid - current year i.r.o. previous year's audit	-964 524	-820 986
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8. All VAT returns have been submitted by the due date throughout the year.

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R
PAYE and UIF		
Opening balance	-1 349 629	-982 233
Current year payroll deductions	-20 333 154	-16 410 687
Amount paid - current year	18 345 136	16 043 291
Amount paid - previous years	1 349 629	0
Balance unpaid (included in creditors)	-1 988 018	-1 349 629

Pension and Medical Aid Deductions

Opening balance	0	-44 757
Current year payroll deductions and Council contributions	-46 731 980	-35 608 118
Amount paid - current year	46 731 980	35 652 875
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

		Total	Outstanding less than 90 days	Outstanding more than 90 days
			0	0
Total Councillor Arrear Consumer Accounts	2008	0	0	0
30 June 2007		Total	Outstanding less than 90 days	Outstanding more than 90 days
Councillor Adonis GW		2 403	0	2 403
Councillor Jooste S		1 915	0	1 915
Councillor Pheiffer HG		3 540	155	3 385
Councillor Siwakamisa LN		694	0	694
Councillor Swartz PM		3 874	10	3 864
Councillor Williams EJ		1 994	22	1 972
Total Councillor Arrear Consumer Accounts	2007	14 420	187	14 233

During the year the following Councillors had arrear accounts outstanding for more than 90 days.

		Highest amount outstanding	Ageing > 90 Days
30 June 2008		0	0
30 June 2007		Highest amount outstanding	Ageing
Councillor Adonis GW		2 403	> 90 Days
Councillor Jooste S		1 915	> 90 Days
Councillor Pheiffer HG		3 539	> 90 Days
Councillor Siwakamisa LN		694	> 90 Days
Councillor Swartz PM		3 874	> 90 Days
Councillor Williams EJ		1 994	> 90 Days

Policies and procedures that were put in place were very effective. No Councillors have arrear accounts.

39 CAPITAL EXPENDITURE

Infrastructure	33 509 273	35 907 163
Community	9 046 702	10 272 408
Other	44 613 659	34 030 768
Total	87 169 634	80 210 339

This expenditure was financed from:

External Loans	0	3 085 593
Capital Replacement Reserve	54 663 073	36 989 162
National Government Grants	9 451 914	17 095 180
Provincial Government Grants	18 793 332	17 126 988
Other Sources	4 261 314	5 913 416
	87 169 634	80 210 339

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008	2006/2007
	R	R

40 CONTINGENT LIABILITIES

The Municipality has no contingent liabilities as at year-end.

41 IN-KIND DONATIONS AND ASSISTANCE

The Municipality did not receive any in-kind donations and assistance.

42 LEASE COMMITMENTS

Operating Leases

	Buildings and other fixed assets	Machinery and equipment	Total 2007/2008	Total 2006/2007
Vehicles	261 393	2 306 008	1 130 362	3 697 763
Not later than 1 year				2 840 252
Later than 1 year and not later than 5 years	103 101	5 369 375	970 490	6 442 966
Total present value of lease liabilities	364 494	7 675 383	2 100 852	8 723 242

43 RETIREMENT BENEFIT INFORMATION

The personnel of Stellenbosch Municipality are members of the funds as set out hereunder. These schemes are subject to tri-annual, bi-annual and annual actuarial valuation as set out.

Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The fund was certified as being in a sound financial condition as at 30 June 2007 by an actuary. The valuation disclosed an actuarial surplus of R200 million for the DB Section and was funded at 107.2%, while the DC Section has an investment reserve of R20.2 million and was funded at 105.3%.

Cape Joint Retirement Fund

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The actuary satisfied the fund in a sound financial position as at 30 June 2007. The valuation disclosed an actuarial surplus of R105 million for the Pensioners Account and was funded at 137,4%, while the Share Account has an investment reserve of R527,8 million and was funded at 108,5%.

Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13.75%) and Council (15%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2006 and reported that the fund as a whole is in a sound financial condition.

SALA Pension Fund

The funding level has increased from 106% in 2006 to 110,0% on 1 July 2007. The Solvency Reserve has been calculated at R1 589,3 million for active members and R346,1 million in respect of pensioners. It should be noted that the previous valuation was done by Old Mutual Actuaries and Consultants whereas the latest valuation was done by Genesis Actuarial Solutions. There were restatements of certain published figures but the conclusion was drawn that the fund is financially sound at the valuation date.

South African Municipal Workers Union National Provident Fund

The SAMWU National Provident Fund is a defined contribution scheme. The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financial sound position.

44 EXEMPTIONS IN TERMS OF GENERAL NOTICE 552 OF 2007

Standard number	Standard title	GRAP, GAMAP and/or SA GAAP requirements exempted in terms of General Notice 552 of 2007
GRAP 03	Accounting policies, changes in accounting estimates and errors	Identification and impact of GRAP standards that have been issued but are not yet effective (GRAP 3.30 - 31)
		Changes in accounting policies (GRAP 3.14, 19)
GAMAP 09	Revenue	Initial measurement of fair value; discounting all future receipts using an imputed rate of return (GAMAP 9.12 and SAICA circular 9/06)

STELLENBOSCH MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Standard number	Standard title	GRAP, GAMAP and/or SA GAAP requirements exempted in terms of General Notice 552 of 2007	2007/2008 R	2006/2007 R
GAMAP 12	Inventories	The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP 17 The entire standard as far as it relates to water stock that was not purchased by the municipality		
GAMAP 17	Property, plant and equipment	Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69 - 61, 77) Review of depreciation method applied to PPE recognised in the annual financial statements (GAMAP 17.62, 77) Impairment of non-cash generating assets (GAMAP 17.64 - 69, 75(e)(v) - (vi)) Impairment of cash generating assets (GAMAP 17.63, 75(e)(v) - (vi))		
IAS 11 (AC 109)	Construction contracts	Entire standard		
IAS 14 (AC 115)	Segment reporting	Entire standard		
IAS 17 (AC 105)	Leases	Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreements (IAS 17.33 - 34 and 50 - 51, SAICA circular 12/06.8 - 11)		
IAS 19 (AC 116)	Employee benefits	Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29, 48 - 119 and 120A(c) - (q))		
IAS 20 (AC 134)	Accounting for government grants and disclosure	Entire standard excluding paragraphs 24 and 26, replaced by GAMAP 12.8, GAMAP 17.25 and GAMAP 9.42 - 46		
IAS 36 (AC 128)	Impairment of assets	Entire standard		
IAS 38 (AC 129)	Intangible assets	The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed		
IAS 39 (AC 133)	Financial instruments: recognition and measurement	Initially measuring financial assets and liabilities at fair value (IAS 39.43, AG79, AG64 - AG65 and SAICA circular 9/06)		
IAS 40 (AC 135)	Investment property	The entire standard to the extent that the property is accounted for in terms of GAMAP 17 Disclosure of the fair value of investment property if the cost model is applied and where the municipality has recognised the investment property in terms of this standard (IAS 40.79(e)(i) - (iii))		
IFRS 3 (AC 140)	Business combinations	Entire standard		
IFRS 5 (AC 142)	Non-current assets held for sale and discontinued operations	Classification, measurement and disclosure of non-current assets held for sale (IFRS 5.6 - 29 (in so far as it relates to non-current assets held for sale) and 38 - 42)		
IFRS 7 (AC 144)	Financial instruments: disclosures	Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering period beginning on or after 1 January 1998		

APPENDIX A
STELLENBOSCH MUNICIPALITY:
SCHEDULE OF LONG TERM LIABILITIES AS AT 30 JUNE 2008

			Received	Redeemed/		Carrying	Other costs
Loan		Balance at 30/06/2007	during the period	written off during period	Balance at 30/06/2008	value of PPE	in accordance with GAMAP
Number	Redeemable	R	R	R	R	R	R
LONG-TERM LOANS							
Stock Loan @ 15.383%	66	2006-10-31	0	0	0	0	0
Stock Loan @ 13.333%	67	2008-11-30	1 184	0	1 184	0	0
Stock Loan @ 15.00%	68	2007-05-31	0	0	0	0	0
Stock Loan @ 15.00%	69	2007-08-31	10 000	0	10 000	0	0
Stock Loan @ 15.00%	70	2007-08-31	467	0	467	0	0
Stock Loan @ 15.00%	71	2007-09-30	20 000	0	20 000	0	0
Stock Loan @ 14.285%	72	2008-11-30	13 334	0	13 334	0	0
Stock Loan @ 15.00%	73	2008-12-31	10 000	0	10 000	0	0
Stock Loan @ 15.564%	75	2007-06-30	0	0	0	0	0
Stock Loan @ 15.385%	76	2008-06-30	63 333	0	63 333	0	0
Stock Loan @ 16.665%	77	2008-12-31	8 334	0	8 334	0	0
Stock Loan @ 15.385%	78	2009-12-31	5 000	0	5 000	0	0
Stock Loan @ 16.667%	79	2009-11-30	16 667	0	16 667	0	0
Stock Loan @ 16.667%	80	2009-12-31	9 000	0	9 000	0	0
Stock Loan @ 16.667%	81	2010-11-30	50 000	0	50 000	0	0
Stock Loan @ 16.667%	82	2011-11-30	200 000	0	200 000	0	0
Stock Loan @ 13.333%	83	2016-06-30	300 000	0	300 000	0	0
Stock Loan @ 16.542%	84	2016-06-30	67 000	0	67 000	0	0
Total long-term loans		774 319	0	774 319	0	0	0
ANNUITY LOANS							
DBSA @ 11,55%		4 154 926	0	1 960 093	2 194 833	5 522 771	0
DBSA @ 9,25%		29 443 712	0	1 159 904	28 283 808	32 682 321	0
Total annuity loans		33 598 638	0	3 119 997	30 478 641	38 205 092	0
FINANCE LEASES							
Anglo African Estates		51 004	0	51 004	0		0
Anglo African Estates		103 550	0	103 550	0		0
Total finance leases		154 555	0	154 555		0	0
TOTAL LONG TERM LIABILITIES		34 527 512	0	4 048 871	30 478 641	38 205 092	0

Debtors to the amount of R16 000 000,00 have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them (See Note 18).

APPENDIX B
STELLENBOSCH MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation					Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R		
Infrastructure											
Access control	810 830	0	0	0	810 830	781 278	29 552	0	810 830	0	
Bridges, subways	69 999	0	0	0	69 999	7 006	2 340	0	9 346	60 653	
Bus terminals	20 000	0	0	0	20 000	12 504	1 003	0	13 507	6 493	
Buildings	45 817	0	0	0	45 817	5 579	1 531	0	7 111	38 707	
Car parks	766 541	401 661	0	0	1 168 202	331 658	40 432	0	372 090	796 112	
Fencing	1 821 737	698 364	0	0	2 520 101	1 181 459	364 865	0	1 546 325	973 776	
Footways	547 970	218 890	0	0	766 861	68 114	27 683	0	95 797	671 064	
Mains electrical	3 856 105	0	0	0	3 856 105	1 502 004	185 938	0	1 687 943	2 168 162	
Mains water	647 181	0	0	0	647 181	408 492	27 183	0	435 675	211 506	
Meters electrical	3 453 166	182 260	0	0	3 635 426	1 253 375	173 356	0	1 426 731	2 208 695	
Meters Gas	18 134	0	0	0	18 134	909	909	0	1 818	16 316	
Meters water	3 468 514	68 063	0	0	3 536 577	1 899 516	217 619	0	2 117 135	1 419 442	
Motorways	13 405 977	0	0	0	13 405 977	7 344 608	896 180	0	8 240 788	5 165 189	
Outfall sewers	2 094 281	0	0	0	2 094 281	314 429	105 001	0	419 430	1 674 851	
Paving	469 427	111 873	0	0	581 299	143 630	24 685	0	168 315	412 985	
Power stations	56 308 816	0	0	0	56 308 816	9 739 749	1 882 103	0	11 621 852	44 686 964	
Pump stations	2 462 231	1 365 284	0	0	3 827 515	612 753	125 402	0	738 155	3 089 360	
Purification works	12 070 915	6 209 672	0	0	18 280 588	5 451 136	608 044	0	6 059 180	12 221 407	
Rights	27 652	0	0	0	27 652	5 534	1 386	0	6 921	20 731	
Other roads	66 389 504	10 049 827	0	0	76 439 331	35 704 332	4 107 583	0	39 811 915	36 627 416	
Runways	14 562	0	0	0	14 562	12 388	730	0	13 118	1 444	
Security system	2 480 486	650 342	0	0	3 130 829	713 682	544 864	0	1 258 546	1 872 283	
Sewers	48 409 530	3 719 704	0	0	52 129 234	26 535 265	2 015 027	0	28 550 292	23 578 942	
Sludge machines	946 489	281 787	0	0	1 228 276	269 106	58 711	0	327 817	900 459	
Sewerage pumps	377 655	81 213	0	0	458 868	73 786	25 305	0	99 092	359 777	
Street lighting	7 418 520	112 612	0	0	7 531 131	424 116	298 633	0	722 749	6 808 383	
Supply/reticulation - e	70 720 192	3 351 966	0	0	74 072 158	23 416 644	3 548 431	0	26 965 076	47 107 083	
Supply/reticulation - w	85 685 418	1 479 809	0	0	87 165 228	51 123 827	3 021 454	0	54 145 281	33 019 946	
Stormwater drains	3 800 906	554 332	0	0	4 355 238	607 523	193 273	0	800 796	3 554 442	
Switchgear equipment	750 146	0	0	0	750 146	52 804	37 610	0	90 414	659 733	
Reservoirs & tanks	9 438 594	215 268	0	0	9 653 862	3 645 674	475 641	0	4 121 314	5 532 547	
Taxiways	1 132 604	683 353	0	0	1 815 957	75 015	57 441	0	132 455	1 683 502	
Transformer kiosks	1 000 000	0	0	0	1 000 000	200 091	33 425	0	233 516	766 484	
Traffic islands	480 598	281 878	0	0	762 477	115 624	45 928	0	161 552	600 924	
Traffic lights	4 422 773	2 728 777	0	0	7 151 550	742 574	241 931	0	984 505	6 167 045	
Street names	1 100 711	62 336	0	0	1 163 047	183 507	55 220	0	238 728	924 319	
	406 933 982	33 509 273	0	0	440 443 255	174 959 690	19 476 422	0	194 436 113	246 007 143	

APPENDIX B
STELLENBOSCH MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation					Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R		
Community Assets											
Buildings	59 850	1 121 149	0	0	1 180 999	1 007	8 394	0	9 401	1 171 598	
Care centres	122 298	0	0	0	122 298	16 318	4 088	0	20 405	101 892	
Cemeteries	1 667 768	404 304	0	0	2 072 072	346 439	57 937	0	404 376	1 667 697	
Community centres	6 689 276	781 319	0	0	7 470 595	572 984	224 051	0	797 035	6 673 560	
Fire stations	2 711 602	46 250	0	0	2 757 852	81 492	91 847	0	173 339	2 584 513	
Floodlighting	77 283	178 768	0	0	256 051	60 409	3 983	0	64 392	191 659	
Clinics/hospitals	4 385 084	46 000	0	0	4 431 084	786 073	123 109	0	909 182	3 521 902	
Informal housing	43 419 087	0	0	0	43 419 087	13 011 897	2 176 903	0	15 188 799	28 230 288	
Indoor sports	382 500	0	0	0	382 500	25 535	12 785	0	38 320	344 180	
Lakes and dams	291 836	161 317	0	0	453 153	56 216	14 720	0	70 936	382 217	
Libraries	194 775	295 975	0	0	490 751	49 118	7 841	0	56 960	433 791	
Municipal buildings	230 838 200	4 938 082	0	0	235 776 282	188 300 209	2 340 932	0	190 641 141	45 135 141	
Municipal houses	2 612 702	0	0	0	2 612 702	1 369 553	130 993	0	1 500 546	1 112 156	
Museum/Art Gall	717 695	0	0	0	717 695	23 989	23 989	0	47 977	669 718	
Netball courts	140 524	0	0	0	140 524	38 619	7 045	0	45 665	94 859	
Outdoor sports	19 105 574	576 631	0	0	19 682 205	4 136 964	954 978	0	5 091 943	14 590 262	
Parks	12 410 334	496 906	0	0	12 907 240	2 556 826	415 222	0	2 972 047	9 935 192	
Public conveniences	6 253 312	0	0	0	6 253 312	1 252 708	209 015	0	1 461 723	4 791 589	
Recreation centres	1 003 094	0	0	0	1 003 094	84 811	33 528	0	118 339	884 755	
Swimming pools	463 458	0	0	0	463 458	93 303	23 236	0	116 539	346 919	
Tennis courts	461 399	0	0	0	461 399	50 720	23 133	0	73 853	387 546	
	334 007 651	9 046 702	0	0	343 054 352	212 915 189	6 887 728	0	219 802 917	123 251 435	
Other Assets											
Air conditioner	173 622	0	0	0	173 622	83 659	29 612	0	113 271	60 350	
Broom-Drawn	53 110	0	0	0	53 110	10 651	10 651	0	21 302	31 808	
Bulk containers	160 726	0	0	0	160 726	141 098	6 673	0	147 771	12 955	
Cabinets/cupboards	238 377	6 500	0	0	244 877	163 075	24 769	0	187 844	57 033	
Canopy	3 365	0	0	0	3 365	3 365	0	0	3 365	0	
Chairs	334 749	0	0	0	334 749	177 377	39 583	0	216 960	117 789	
Cleaner - steam	72 477	0	0	0	72 477	24 494	11 186	0	35 681	36 796	
Computer hardware	13 779 142	2 156 900	0	0	15 936 042	9 196 319	1 462 935	0	10 659 254	5 276 788	
Compactor - lan	159 658	0	0	0	159 658	149 168	3 510	0	152 677	6 981	
Compactor - pla	55 164	0	0	0	55 164	35 433	5 068	0	40 501	14 663	
Compter software	3 945 181	1 082 438	0	0	5 027 619	3 168 002	426 414	0	3 594 415	1 433 203	
Control system	754 609	0	0	0	754 609	602 181	100 761	0	702 942	51 667	
Conveyors	25 343	0	0	0	25 343	14 431	1 694	0	16 125	9 217	

APPENDIX B
STELLENBOSCH MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation					Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R		
Drill concrete	9 939	0	0	0	9 939	594	1 993	0	2 587		7 352
Equipment/apparatus	303 871	409 113	0	0	712 983	298 855	10 274	0	309 129		403 855
Electrical equipment	4 664 701	4 377 308	0	0	9 042 010	493 623	941 973	0	1 435 596		7 606 414
Laboratory equipment	186 291	199 147	0	0	385 437	41 706	32 261	0	73 967		311 471
Milling equipment	74 913	0	0	0	74 913	54 964	5 008	0	59 972		14 942
Radio equipment	1 931 859	640 199	0	0	2 572 058	1 005 755	366 331	0	1 372 085		1 199 973
Telecommunication	3 047 764	34 350	0	0	3 082 114	2 372 011	449 155	0	2 821 165		260 949
Feeders	63 819	0	0	0	63 819	18 900	4 266	0	23 166		40 653
Fire equipment	1 385 743	234 903	0	0	1 620 646	599 837	74 119	0	673 955		946 691
Generator	416 625	0	0	0	416 625	223 917	48 901	0	272 818		143 807
General plant	2 770 248	35 159	0	0	2 805 407	2 629 481	132 262	0	2 761 743		43 664
Household refuse	628 643	2 001 415	0	0	2 630 059	123 554	252 444	0	375 998		2 254 061
Housing schemes	77 451 875	22 578 524	0	0	100 030 399	3 473 790	2 594 287	0	6 068 078		93 962 321
Hoist - refuse	88 901	217 544	0	0	306 445	83 387	5 633	0	89 020		217 425
Irrigation systems	40 736	302 548	0	0	343 284	6 847	9 196	0	16 044		327 240
Emergency light	48 535	0	0	0	48 535	44 972	3 563	0	48 535		0
Loader - front-end	532 056	0	0	0	532 056	528 600	3 456	0	532 056		0
Miscellaneous furniture	5 130 042	1 845 210	0	0	6 975 252	2 635 912	621 720	0	3 257 632		3 717 620
Mixer - concrete	26 220	0	0	0	26 220	26 220	0	0	26 220		0
Office building	2 016 793	148 492	0	0	2 165 285	150 324	67 601	0	217 925		1 947 360
Office machines	3 605 940	285 035	0	0	3 890 974	3 180 977	360 370	0	3 541 347		349 627
Other land	193 599 149	463 035	0	0	194 062 184	0	0	0	0		194 062 184
Pulverising milling	329 727	0	0	0	329 727	312 635	17 092	0	329 727		0
Pumps	823 163	362 671	0	0	1 185 834	686 163	110 231	0	796 394		389 440
Roller - pavements	627 469	0	0	0	627 469	128 328	0	0	128 328		499 142
Tables/desks	314 461	0	0	0	314 461	163 249	35 146	0	198 394		116 067
Tippers	817 911	0	0	0	817 911	538 582	54 677	0	593 258		224 652
Tip sites	644 606	0	0	0	644 606	50 311	21 546	0	71 857		572 749
Tools	763 788	0	0	0	763 788	688 963	22 553	0	711 516		52 272
Town planning	42 163 327	427 580	0	0	42 590 907	30 934 627	3 101 327	0	34 035 954		8 554 953
Trailers	124 099	0	0	0	124 099	113 149	3 663	0	116 813		7 287
Vacant land	266 515 568	0	0	1 770 000	264 745 568	0	0	0	0		264 745 568
Vehicles	5 802 623	759 602	0	0	6 562 225	3 966 764	736 544	0	4 703 308		1 858 918
Buses	291 106	0	0	0	291 106	131 198	19 460	0	150 658		140 448
Compressors	25 415	0	0	0	25 415	17 444	2 000	0	19 444		5 971
Compactor truck	2 688 167	2 019 426	0	0	4 707 593	1 766 813	274 900	0	2 041 713		2 665 880
Motor cycles	80 756	0	0	0	80 756	80 756	0	0	80 756		0
Fire engines	3 088 603	367 306	0	0	3 455 908	543 239	149 856	0	693 095		2 762 813
Farm equipment	175 630	0	0	0	175 630	175 630	0	0	175 630		0

APPENDIX B
STELLENBOSCH MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation					Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R		
Graders	130 000	0	0	0	130 000	130 000	0	0	130 000	0	
Lawnmowers	1 271 895	0	0	0	1 271 895	905 345	195 422	0	1 100 767	171 128	
Vehicle monitor	313 428	0	0	0	313 428	149 916	62 857	0	212 773	100 655	
Roller - mechanic	91 200	0	0	0	91 200	54 770	18 290	0	73 060	18 140	
Pound vehicles	348 149	0	0	0	348 149	14 480	67 248	0	81 728	266 421	
Road maintenance	291 969	0	0	0	291 969	195 420	32 301	0	227 721	64 248	
Street sweeper	782 008	0	0	0	782 008	782 008	0	0	782 008	0	
Trucks/bakkies	13 520 090	3 659 255	0	0	17 179 345	12 131 640	753 417	0	12 885 057	4 294 288	
Tractors	509 893	0	0	0	509 893	431 929	29 034	0	460 963	48 930	
Workshop/Depots	32 781	0	0	0	32 781	18 591	1 096	0	19 687	13 095	
	660 348 018	44 613 659	0	1 770 000	703 191 677	86 875 427	13 816 329	0	100 691 756	602 499 921	
Assets Including Intangibles	1 401 289 651	87 169 634	0	1 770 000	1 486 689 285	474 750 306	40 180 479	0	514 930 786	971 758 499	
Less Intangible Assets											
Compter software	3 945 181	1 082 438	0	0	5 027 619	3 168 002	426 414	0	3 594 415	1 433 203	
Total PPE	1 397 344 470	86 087 196	0	1 770 000	1 481 661 666	471 582 304	39 754 066	0	511 336 370	970 325 295	

Included in land and buildings above are items that may meet the definition of investment property, but have been included as PPE because the municipality had not finalized the process of identifying investment property for reporting purposes. These items will be transferred to investment property once they have been identified as investment property in terms of the definition in IAS 40 (AC 135).

Included in PPE above are items that may meet the definition of inventory, but have been included as PPE because the municipality had not finalized the process of identifying inventory for reporting purposes. These items will be transferred to inventory once they have been identified as inventory in terms of the definition in GAMAP 12.

APPENDIX C
STELLENBOSCH MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Additions (Revaluation) R	Closing Balance R	
PLANNING AND ECONOMIC DEVELOPMENT										
Planning and Development	10 764 557	1 731 744	0	0	12 496 300	1 874 918	917 898	0	2 792 816	9 703 484
Building Control	244 097	0	0	0	244 097	79 020	22 956	0	101 976	142 121
Town Planning	10 739 854	0	0	0	10 739 854	7 608 525	574 951	0	8 183 476	2 556 379
Town Development	89 500 198	0	0	0	89 500 198	38 886 243	3 201 234	0	42 087 477	47 412 720
	111 248 706	1 731 744	0	0	112 980 449	48 448 706	4 717 040	0	53 165 745	59 814 704
ELECTRICAL ENGINEERING SERVICES										
Electrical Engineering Services	142 729 065	9 070 103	0	0	151 799 168	34 799 918	6 940 570	0	41 740 488	110 058 680
	142 729 065	9 070 103	0	0	151 799 168	34 799 918	6 940 570	0	41 740 488	110 058 680
FINANCIAL SERVICES										
Financial Services General	9 805 780	811 862	0	0	10 617 642	8 714 028	571 912	0	9 285 940	1 331 702
IT Section	4 284 579	1 966 325	0	0	6 250 904	490 943	848 252	0	1 339 195	4 911 709
Stores	925 187	0	0	0	925 187	126 394	30 949	0	157 342	767 845
	15 015 546	2 778 187	0	0	17 793 732	9 331 365	1 451 112	0	10 782 478	7 011 255
COMMUNITY SERVICES GENERAL										
Director Community Services	240 204	0	0	0	240 204	81 779	41 977	0	123 755	116 448
Rhenish Complex	166 105	0	0	0	166 105	43 127	5 552	0	48 679	117 426
Voorgelegen	377 468	0	0	0	377 468	205 737	12 617	0	218 354	159 114
	783 777	0	0	0	783 777	330 643	60 145	0	390 788	392 988
COMMUNITY SERVICES HOUSING										
Flats	1 741 990	0	0	0	1 741 990	456 220	58 104	0	514 323	1 227 667
Economic Schemes	33 888	0	0	0	33 888	8 277	1 133	0	9 410	24 479
Housing General	75 485 252	22 665 897	0	0	98 151 149	5 770 682	3 038 162	0	8 808 844	89 342 305
Rented Buildings	10 871 155	0	0	0	10 871 155	4 477 503	490 064	0	4 967 567	5 903 589
	88 132 286	22 665 897	0	0	110 798 183	10 712 682	3 587 462	0	14 300 144	96 498 039
COMMUNITY SERVICES LIBRARIES										
Plein Street Library	778 760	3 726	0	0	782 486	305 993	30 292	0	336 284	446 202
Idas Valley Library	404 035	1 990	0	0	406 025	282 205	9 126	0	291 331	114 694
Cloetesville Library	223 153	101 820	0	0	324 973	110 070	10 579	0	120 649	204 325
Kayamandi Library	63 050	2 244	0	0	65 294	13 646	3 613	0	17 259	48 035
Pniel Library	84 274	3 676	0	0	87 950	41 809	2 854	0	44 663	43 287
Franschhoek Library	306 071	200 055	0	0	506 125	174 640	24 481	0	199 121	307 004
	1 859 343	313 511	0	0	2 172 854	928 362	80 946	0	1 009 308	1 163 546
COMMUNITY SERVICES HEALTH										
Health General	486 859	0	0	0	486 859	409 536	6 343	0	415 878	70 981
Aan-het-pad Clinic	198 715	0	0	0	198 715	63 989	5 118	0	69 107	129 608
Poli Clinic	297 504	0	0	0	297 504	124 957	8 258	0	133 215	164 289
Kayamandi Clinic	942 118	0	0	0	942 118	165 182	33 086	0	198 268	743 850
Victoria Street Clinic	604 110	0	0	0	604 110	284 865	38 591	0	323 456	280 654

APPENDIX C
STELLENBOSCH MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Additions (Revaluation) R	Closing Balance R	
Kylemore Clinic Klapmuts Clinic Don & Pat Bilton Clinic Groendal Clinic Stellenbosch Cemetery Pniel Cemetery Franschhoek Cemetery	594 045	0	0	0	594 045	175 330	19 856	0	195 186	398 859
	1 142 020	0	0	0	1 142 020	187 079	39 070	0	226 150	915 870
	812 885	0	0	0	812 885	269 905	24 477	0	294 382	518 503
	932 035	46 000	0	0	978 035	16 846	12 094	0	28 940	949 095
	2 344 086	404 304	0	0	2 748 390	752 125	101 673	0	853 798	1 894 592
	25 936	0	0	0	25 936	1 731	867	0	2 598	23 337
	183 433	0	0	0	183 433	51 448	16 322	0	67 770	115 663
	8 563 747	450 304	0	0	9 014 051	2 502 993	305 755	0	2 808 748	6 205 303
COMMUNITY SERVICES PARKS										
Environment & Recreation	744 249	617 848	0	0	1 362 097	182 592	187 368	0	369 959	992 138
Workshop	725 203	0	0	0	725 203	529 705	52 220	0	581 925	143 278
Parks Stellenbosch	12 776 176	1 355 392	0	0	14 131 568	5 137 593	478 227	0	5 615 820	8 515 749
Parks Franschhoek	2 006 118	422 771	0	0	2 428 888	1 097 354	59 078	0	1 156 433	1 272 456
Street Trees	190 029	0	0	0	190 029	166 605	1 573	0	168 178	21 851
Street Beautification	1 635 584	0	0	0	1 635 584	438 193	46 461	0	484 654	1 150 930
Nursery	620 390	57 433	0	0	677 823	185 694	20 305	0	205 999	471 824
Commonage & Plantations	424 701	0	0	0	424 701	284 157	8 444	0	292 600	132 101
Jonkershoek Picnic Site	60 030	0	0	0	60 030	33 815	2 006	0	35 821	24 209
Van der Stel Sport	1 663 249	190 475	0	0	1 853 724	642 391	55 371	0	697 762	1 155 962
Idas Valley Sport	738 564	206 449	0	0	945 013	311 177	35 285	0	346 462	598 551
Cloetesville Sport	630 958	259 549	0	0	890 507	329 627	25 146	0	354 772	535 735
Swimming Pool Cloetesville	760 951	0	0	0	760 951	206 441	33 852	0	240 293	520 657
Kayamandi Sport	9 745 352	4 812	0	0	9 750 164	1 033 724	488 151	0	1 521 875	8 228 290
Kylemore Sport	1 649 885	161 918	0	0	1 811 803	307 255	81 409	0	388 664	1 423 139
Klapmuts Sport	1 377 927	143 691	0	0	1 521 618	471 532	68 999	0	540 530	981 087
Jamestown Sport	2 105 101	15 301	0	0	2 120 402	664 281	99 819	0	764 100	1 356 301
Pniel Sport	3 863 416	0	0	0	3 863 416	2 101 281	199 386	0	2 300 667	1 562 749
Groendal Sport	230 220	470 325	0	0	700 545	49 050	14 448	0	63 499	637 046
Raithby Sport	1 701 311	89 504	0	0	1 790 816	373 879	124 552	0	498 431	1 292 385
	43 649 413	3 995 469	0	0	47 644 882	14 546 346	2 082 099	0	16 628 445	31 016 437
ENGINEERING SERVICES GENERAL										
Municipal Buildings	614 604 217	3 288 081	0	1 770 000	616 122 299	164 514 179	360 178	0	164 874 357	451 247 941
Engineering Services General	9 290 674	268 786	0	0	9 559 461	2 014 548	1 737 510	0	3 752 057	5 807 403
Workshop	76 878	0	0	0	76 878	73 422	3 456	0	76 878	0
	623 971 770	3 556 868	0	1 770 000	625 758 638	166 602 148	2 101 145	0	168 703 293	457 055 345
ENGINEERING SERVICES REFUSE										
Market	1 291 838	0	0	0	1 291 838	202 093	11 776	0	213 869	1 077 969
Refuse Removal	9 685 152	4 056 106	0	0	13 741 259	5 678 101	662 143	0	6 340 244	7 401 014
Dumping Site	2 375 371	50 738	0	0	2 426 109	1 216 403	86 108	0	1 302 511	1 123 598

APPENDIX C
STELLENBOSCH MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Additions (Revaluation) R	Closing Balance R	
Klapmuts Transfer Station Cleaning of Streets	27 820	0	0	0	27 820	25	930	0	955	26 865
	0	217 544	0	0	217 544	0	119	0	119	217 425
	13 380 182	4 324 388	0	0	17 704 570	7 096 623	761 076	0	7 857 699	9 846 871
ENGINEERING SERVICES SEWERAGE										
Public Facilities	3 246 904	0	0	0	3 246 904	450 814	107 725	0	558 538	2 688 366
Sewerage Purification Stellenbosch	29 932 729	81 213	0	0	30 013 942	14 283 168	1 531 684	0	15 814 852	14 199 090
Sewerage Network	38 628 965	12 760 052	0	0	51 389 016	22 186 538	1 748 725	0	23 935 264	27 453 753
Composting	1 647 272	0	0	0	1 647 272	917 385	76 159	0	993 545	653 727
Sewerage Purification Franschhoek	1 424 062	0	0	0	1 424 062	348 120	72 228	0	420 348	1 003 714
Sewerage Purification Pniel	11 100	0	0	0	11 100	2 226	2 226	0	4 452	6 648
	74 891 032	12 841 265	0	0	87 732 296	38 188 251	3 538 748	0	41 726 999	46 005 298
ENGINEERING SERVICES STREETS										
Roads	80 982 572	14 461 722	0	0	95 444 294	43 405 086	4 920 873	0	48 325 959	47 118 335
Sidewalks	1 239 698	223 304	0	0	1 463 001	310 888	77 186	0	388 075	1 074 927
Stormwater	10 687 539	512 790	0	0	11 200 329	3 105 669	692 808	0	3 798 477	7 401 852
	92 909 809	15 197 816	0	0	108 107 625	46 821 644	5 690 867	0	52 512 511	55 595 114
ENGINEERING SERVICES WATER										
Water Network	96 670 510	1 943 887	0	0	98 614 397	59 674 786	3 735 602	0	63 410 388	35 204 009
Reservoirs & Supply Lines	12 710 872	1 282 522	0	0	13 993 394	4 425 355	648 669	0	5 074 024	8 919 370
Purification Idas Valley	2 802 254	789	0	0	2 803 044	843 044	144 263	0	987 307	1 815 737
Purification Paradyskloof	599 051	223 395	0	0	822 447	138 671	37 917	0	176 588	645 859
Purification Franschhoek	323 652	214 390	0	0	538 041	35 874	24 423	0	60 297	477 744
	113 106 339	3 664 984	0	0	116 771 322	65 117 730	4 590 874	0	69 708 604	47 062 719
CORPORATE SERVICES										
Personnel Services	248 832	699 331	0	0	948 162	45 153	32 502	0	77 655	870 507
Corporate Services General	7 987 294	820 954	0	0	8 808 248	1 470 150	332 208	0	1 802 357	7 005 891
Liaison Services	109 688	62 336	0	0	172 024	15	5 534	0	5 549	166 475
Printing Section	167 402	0	0	0	167 402	167 402	0	0	167 402	0
Council General Expenses	17 309 135	0	0	0	17 309 135	10 052 297	935 346	0	10 987 643	6 321 492
Administration Stellenbosch	8 473 819	282 871	0	0	8 756 691	3 973 420	417 885	0	4 391 305	4 365 386
Administration Franschhoek	4 288 586	0	0	0	4 288 586	2 124 228	146 849	0	2 271 077	2 017 509
	38 584 756	1 865 492	0	0	40 450 248	17 832 665	1 870 323	0	19 702 988	20 747 260
MUNICIPAL MANAGER										
Municipal Manager	1 107 864	34 575	0	0	1 142 439	816 862	65 727	0	882 589	259 850
	1 107 864	34 575	0	0	1 142 439	816 862	65 727	0	882 589	259 850
PUBLIC SAFETY GENERAL										
Director Public Safety	20 925	523 159	0	0	544 084	16	3 346	0	3 362	540 722
	20 925	523 159	0	0	544 084	16	3 346	0	3 362	540 722
PUBLIC SAFETY FIRE SERVICES										

APPENDIX C
STELLENBOSCH MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Additions (Revaluation) R	Closing Balance R	
Fire Services	9 753 054	1 278 636	0	0	11 031 690	3 160 396	440 196	0	3 600 592	7 431 098
	9 753 054	1 278 636	0	0	11 031 690	3 160 396	440 196	0	3 600 592	7 431 098
PUBLIC SAFETY SHARED SERVICES										
Shared Services	98 831	0	0	0	98 831	91 881	3 900	0	95 781	3 050
Security	4 983 391	588 073	0	0	5 571 464	2 060 863	992 328	0	3 053 191	2 518 273
Occupational Safety	52 258	0	0	0	52 258	20 932	10 480	0	31 412	20 846
Town Hall Plein Street	1 015 581	0	0	0	1 015 581	592 954	50 814	0	643 768	371 812
Eikestad Hall	929 843	0	0	0	929 843	289 761	36 426	0	326 187	603 656
Community Centre Kayamandi	315 216	0	0	0	315 216	20 841	11 979	0	32 820	282 396
Community Hall Pniel	995 825	0	0	0	995 825	128 796	36 755	0	165 551	830 274
Community Centre Groendal	1 292 960	0	0	0	1 292 960	195 740	43 217	0	238 956	1 054 004
Town Hall Franschhoek	519 743	0	0	0	519 743	88 814	10 258	0	99 072	420 671
Community Centre	51 150	0	0	0	51 150	17 353	17 372	0	34 725	16 425
	10 254 798	588 073	0	0	10 842 871	3 507 935	1 213 529	0	4 721 464	6 121 406
PUBLIC SAFETY TRAFFIC										
Licencing	5 530 583	0	0	0	5 530 583	3 313 822	274 906	0	3 588 728	1 941 855
Traffic Control	2 278 621	1 420 363	0	0	3 698 984	182 675	132 352	0	315 027	3 383 958
Parking Areas	1 156 572	0	0	0	1 156 572	180 351	16 854	0	197 205	959 367
	8 965 777	1 420 363	0	0	10 386 140	3 676 847	424 112	0	4 100 960	6 285 180
SOCIAL SERVICES										
Exec Director	1 203 911	518 961	0	0	1 722 872	29 499	64 656	0	94 155	1 628 717
	1 203 911	518 961	0	0	1 722 872	29 499	64 656	0	94 155	1 628 717
STRATEGIC SERVICES										
Integrated Development Plan	797 491	14 220	0	0	811 711	180 615	127 988	0	308 604	503 107
Strategic Services General	360 061	335 621	0	0	695 682	118 060	62 763	0	180 823	514 860
	1 157 552	349 841	0	0	1 507 393	298 675	190 751	0	489 426	1 017 967
Total Assets Including Intangibles	1 401 289 651	87 169 634	0	1 770 000	1 486 689 285	474 750 307	40 180 479	0	514 930 786	971 758 499
Less Intangible Assets										
PLANNING AND ECONOMIC DEVELOPMENT										
Planning and Development	28 500	0	0	0	28 500	28 500		0	28 500	0
	28 500	0	0	0	28 500	28 500	0	0	28 500	0
ELECTRICAL ENGINEERING SERVICES										
Electrical Engineering Services	577 030	0	0	0	577 030	381 955	131 234	0	513 189	63 841
	577 030	0	0	0	577 030	381 955	131 234	0	513 189	63 841
FINANCIAL SERVICES										
Financial Services General	878 726	607 195	0	0	1 485 921	878 726	2 218	0	880 944	604 977

APPENDIX C
STELLENBOSCH MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Additions (Revaluation) R	Closing Balance R	
	878 726	607 195	0	0	1 485 921	878 726	2 218	0	880 944	604 977
ENGINEERING SERVICES GENERAL										
Engineering Services General	196 579	37 000	0	0	233 579	77 318	59 363	0	136 680	96 899
	196 579	37 000	0	0	233 579	77 318	59 363	0	136 680	96 899
ENGINEERING SERVICES REFUSE										
Refuse Removal	46 232	0	0	0	46 232	46 232		0	46 232	0
	46 232	0	0	0	46 232	46 232	0	0	46 232	0
ENGINEERING SERVICES SEWERAGE										
Sewerage Purification Stellenbosch	278 333				278 333	228 929	49 404		278 333	0
Sewerage Network	296 703	0	0	0	296 703	49 731	99 172	0	148 903	147 799
	575 036	0	0	0	575 036	278 660	148 576	0	427 237	147 799
ENGINEERING SERVICES WATER										
Water Network	731 237	368 242	0	0	1 099 479	564 770	83 871	0	648 641	450 838
	731 237	368 242	0	0	1 099 479	564 770	83 871	0	648 641	450 838
CORPORATE SERVICES										
Corporate Services General	831 388	0	0	0	831 388	831 388		0	831 388	0
Council General Expenses	80 454	0	0	0	80 454	80 454		0	80 454	0
	911 841	0	0	0	911 841	911 841	0	0	911 841	0
PUBLIC SAFETY FIRE SERVICES										
Fire Services	0	70 000	0	0	70 000	0	1 151	0	1 151	68 849
	0	70 000	0	0	70 000	0	1 151	0	1 151	68 849
Total Intangible Assets	3 945 181	1 082 438	0	0	5 027 619	3 168 002	426 414	0	3 594 415	1 433 203
Total PPE	1 397 344 470	86 087 196	0	1 770 000	1 481 661 666	471 582 305	39 754 066	0	511 336 370	970 325 295

APPENDIX D
STELLENBOSCH MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus/ (Deficit) R		2007/2008 Actual Income R	2007/2008 Actual Expenditure R	2007/2008 Surplus/ (Deficit) R
0	7 383 068	-7 383 068	MUNICIPAL MANAGER	0	6 898 493	-6 898 493
0	5 768 095	-5 768 095	Municipal Manager	0	5 187 630	-5 187 630
0	42 430	-42 430	Deputy Municipal Manager	0	702	-702
0	1 571 206	-1 571 206	Internal Audit	0	1 710 161	-1 710 161
0	1 337	-1 337	Policy and Research	0	0	0
3 569 153	15 444 162	-11 875 008	PLANNING & DEVELOPMENT SERVICES	3 039 842	15 730 602	-12 690 759
122	3 416 521	-3 416 399	Planning and Environment	0	4 013 530	-4 013 530
3 402 879	3 385 378	17 500	Building Control	2 870 166	4 091 892	-1 221 726
154 442	4 931 192	-4 776 750	Town Planning	153 176	4 394 279	-4 241 103
0	3 699 360	-3 699 360	Town Development	0	3 214 400	-3 214 400
11 711	11 711	0	Special Fund Growth Management Strategy	16 500	16 500	0
11 316 989	45 315 795	-33 998 805	SOCIAL DEVELOPMENT SERVICES	3 868 429	40 111 500	-36 243 071
0	2 450 050	-2 450 050	Community Services General	0	148 358	-148 358
0	267 082	-267 082	Social Services Director	0	2 113 846	-2 113 846
0	21 707	-21 707	Social and Human Development	0	330 237	-330 237
0	0	0	Stellenbosch Youth Council	0	31 470	-31 470
0	982 431	-982 431	Forestry, Parks & Recreation	0	1 192 163	-1 192 163
0	344 993	-344 993	Workshop	0	411 554	-411 554
1 280 025	8 524 540	-7 244 514	Parks & Sidewalks Stellenbosch	5 245	8 212 126	-8 206 881
299 100	1 891 308	-1 592 208	Parks & Sidewalks Franschhoek	0	2 065 702	-2 065 702
0	1 462 454	-1 462 454	Street Trees	0	1 774 381	-1 774 381
0	1 432 449	-1 432 449	Street Beautification	0	1 570 507	-1 570 507
0	494 942	-494 942	Nursery	0	543 587	-543 587
2 549 759	3 485 243	-935 484	Commonage & Plantations	1 936 076	2 024 934	-88 857
1 424	436 087	-434 663	Jan Marais Nature Reserve	2 060	558 363	-556 303
34 796	220 440	-185 644	Jonkershoek Picnic Site	98 721	207 101	-108 380
0	500	-500	Dwarsrivier Picnic Site	0	500	-500
47 730	1 419 735	-1 372 005	Van der Stel Sport	47 058	1 661 953	-1 614 895
0	840 591	-840 591	Idas Valley Sport	975	747 526	-746 552
7 538	689 821	-682 283	Cloetesville Sport	29 875	710 716	-680 842
0	211 627	-211 627	Golf Club	0	16 450	-16 450
18 632	613 826	-595 194	Swimming Pool Cloetesville	19 993	648 791	-628 798
679 322	894 437	-215 115	Kayamandi Sport	975	782 461	-781 486
0	332 046	-332 046	Kylemore Sport	23 529	288 585	-265 056
0	319 533	-319 533	Klapmuts Sport	0	317 009	-317 009
0	317 445	-317 445	Jamestown Sport	0	283 906	-283 906
0	937 570	-937 570	Pniel Sport	1 005	1 182 207	-1 181 202
28 996	163 136	-134 140	Groendal Sport	5 450	219 105	-213 655
0	385 616	-385 616	Raithby Sport	975	414 680	-413 705
782 817	831 082	-48 265	Health General	109 089	117 102	-8 012
645 946	664 999	-19 053	Aan-het-pad Clinic	65 900	111 137	-45 237
739 038	749 753	-10 715	Poli Clinic	45 798	79 821	-34 023
949 704	991 509	-41 805	Kayamandi Clinic	65 235	125 426	-60 191
724 256	779 123	-54 867	Victoria Street Clinic	89 957	169 091	-79 134
125 671	125 671	0	Family Planning	0	0	0
256 322	280 274	-23 951	Kylemore Clinic	14 449	34 670	-20 222
723 988	773 859	-49 870	Klapmuts Clinic	33 847	77 122	-43 276
239 804	265 521	-25 717	Don & Pat Bilton Clinic	20 313	46 851	-26 538
101 158	81 701	19 458	Aids Clinic	3 766	6 189	-2 423
0	1 590	-1 590	TB Clinic	0	0	0
190 895	34 728	156 167	Groendal Clinic	60 539	30 734	29 806
0	14 579	-14 579	Pest Control	0	5 021	-5 021
487 346	1 315 013	-827 667	Stellenbosch Cemetery	563 981	1 466 430	-902 449
1 915	65 959	-64 044	Pniel Cemetery	0	106 464	-106 464
92 512	279 125	-186 613	Franschhoek Cemetery	105 543	307 386	-201 843
0	140 321	-140 321	Rhenish Complex	0	220 248	-220 248
13 126	159 581	-146 455	Voorgelegen	13 140	119 989	-106 848
17 106	2 112 571	-2 095 465	Plein Street Library	13 586	2 111 277	-2 097 691
20 236	510 779	-490 543	Idas Valley Library	18 814	588 615	-569 801
15 807	562 672	-546 865	Cloetesville Library	16 845	602 547	-585 701
10 608	680 663	-670 055	Kayamandi Library	12 319	551 179	-538 860
3 986	346 330	-342 343	Pniel Library	4 356	367 152	-362 795
13 603	565 017	-551 414	Franschhoek Library	15 091	535 924	-520 832
159 281	702 398	-543 117	Town Hall Plein Street	0	0	0
20 012	330 015	-310 003	Eikestad Hall	0	0	0

APPENDIX D
STELLENBOSCH MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus/ (Deficit) R		2007/2008 Actual Income R	2007/2008 Actual Expenditure R	2007/2008 Surplus/ (Deficit) R
1 181	106 910	-105 729	Community Centre Kayamandi	0	0	0
13 494	46 760	-33 266	Admin Buildings & Hall Pniel	0	0	0
0	240 969	-240 969	Community Centre Groendal	0	0	0
0	7 720	-7 720	Community Hall Groendal	0	0	0
7 076	61 064	-53 988	Town Hall Franschhoek	0	0	0
0	2 335 155	-2 335 155	Cleaning of Streets	0	3 448 984	-3 448 984
0	0	0	Clean-up Operations	9 657	9 657	0
12 775	12 775	0	Special Fund Dilbeeck	85 252	85 252	0
0	0	0	Special Fund Library Services	329 015	329 015	0
149 534 840	126 319 253	23 215 587	ELECTRICAL ENGINEERING SERVICES	159 441 811	141 548 450	17 893 360
149 534 840	22 697 030	126 837 809	Electrical Engineering Services	159 440 811	99 183 795	60 257 015
0	97 285 614	-97 285 614	Electrical Engineering Client Services	0	3 580 480	-3 580 480
0	6 336 608	-6 336 608	Electrical Engineering System Operations	0	38 783 175	-38 783 175
0	0	0	Special Fund Asset Val (Red)	1 000	1 000	0
33 164 186	58 972 018	-25 807 832	COMMUNITY SAFETY SERVICES	38 062 471	66 840 636	-28 778 165
0	2 111 569	-2 111 569	Community Safety General	0	3 066 727	-3 066 727
121 184	10 322 739	-10 201 555	Fire Services	53 510	12 255 661	-12 202 151
18 423 420	17 240 883	1 182 538	Traffic Services Licensing	21 609 866	19 576 907	2 032 959
12 569 949	19 743 159	-7 173 209	Traffic Control	14 058 716	22 152 168	-8 093 452
2 041 246	1 155 982	885 264	Parking Areas	2 313 835	1 053 692	1 260 143
0	1 226 540	-1 226 540	Disaster Management	0	1 006 337	-1 006 337
0	6 979 826	-6 979 826	Security	25 900	7 707 168	-7 681 268
8 386	191 321	-182 935	Occupational Safety	643	21 975	-21 332
112 012 185	124 634 801	-12 622 616	CIVIL ENGINEERING SERVICES	113 551 713	124 097 279	-10 545 565
0	1 855 724	-1 855 724	Public Facilities	0	1 373 586	-1 373 586
83 955	13 223	70 732	Market	125 171	12 067	113 105
4 708 815	4 477 900	230 915	Civil Engineers & Technical Services	0	6 975 331	-6 975 331
8 501 896	9 782 593	-1 280 697	Roads	6 856 429	12 924 811	-6 068 382
0	1 712 390	-1 712 390	Sidewalks & Cycle Paths	0	1 994 847	-1 994 847
0	5 615 966	-5 615 966	Stormwater	0	6 679 640	-6 679 640
0	76 018	-76 018	Workshop	0	84 921	-84 921
49 283 033	40 400 458	8 882 575	Water Network	45 288 253	37 437 621	7 850 632
99 188	6 609 610	-6 510 422	Reservoirs & Supply Lines	5 894	6 335 187	-6 329 292
0	2 974 757	-2 974 757	Water Filtration Iidas Valley	0	3 228 180	-3 228 180
176 369	2 615 277	-2 438 908	Water Filtration Paradyskloof	222 606	2 259 875	-2 037 269
0	43 134	-43 134	Reservoir & Filtration Franschhoek	0	51 905	-51 905
0	0	0	Special Fund Infrastr Roads and Stormwater	0	0	0
21 346 602	19 218 270	2 128 332	Refuse Removal	21 515 026	17 687 265	3 827 761
357 901	1 805 641	-1 447 741	Dumping Site	450 416	1 804 464	-1 354 048
197	589 758	-589 561	Klapmuts Transfer Station	1 684	497 627	-495 943
26 734 640	14 659 268	12 075 373	Sewerage Purification Stellenbosch	35 631 338	11 859 597	23 771 741
700 880	9 197 052	-8 496 172	Sewerage Network	3 388 783	9 893 248	-6 504 466
18 710	861 868	-843 158	Composting	66 113	719 220	-653 107
0	157 971	-157 971	Sewerage Purification Klapmuts	0	182 983	-182 983
0	483 894	-483 894	Sewerage Purification Franschhoek	0	621 628	-621 628
0	1 026 215	-1 026 215	Sewerage Purification Pniel	0	1 126 883	-1 126 883
0	457 814	-457 814	Sewerage Purification Rural	0	346 395	-346 395
2 703 825	62 944 591	-60 240 766	CORPORATE SERVICES	3 677 465	60 361 897	-56 684 432
0	0	0	Town Hall Plein Street	194 666	737 179	-542 513
0	0	0	Eikestad Hall	19 060	311 303	-292 243
0	0	0	Community Centre Kayamandi	11 190	142 922	-131 732
0	0	0	Admin Buildings & Hall Pniel	4 868	47 178	-42 310
0	0	0	Community Centre Groendal	18 285	222 682	-204 396
0	0	0	Community Hall Groendal	0	10 258	-10 258
0	0	0	Town Hall Franschhoek	12 331	47 252	-34 921
0	2 620 133	-2 620 133	Municipal Buildings	0	5 568 732	-5 568 732
0	1 330 772	-1 330 772	Corporate Services General	0	2 677 074	-2 677 074
0	5 306 721	-5 306 721	Human Resources Services	0	5 632 180	-5 632 180
59	4 114 598	-4 114 539	Documentation and Land Management	20	3 604 215	-3 604 195
0	807 695	-807 695	Secretariate and Administration	0	1 956 838	-1 956 838
0	930 295	-930 295	Legal services	0	3 454 850	-3 454 850
0	318 573	-318 573	Printing Section	0	474 538	-474 538
544 023	32 608 107	-32 064 084	Council General Expenses	632 419	19 798 685	-19 166 266
0	117 306	-117 306	Council Deputy Mayor's office	0	252 706	-252 706

APPENDIX D
STELLENBOSCH MUNICIPALITY: SEGMENTAL STATEMENT OF
FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

2006/2007 Actual Income R	2006/2007 Actual Expenditure R	2006/2007 Surplus/ (Deficit) R		2007/2008 Actual Income R	2007/2008 Actual Expenditure R	2007/2008 Surplus/ (Deficit) R
0	4 112 208	-4 112 208	Council Donations	3 000	4 415 217	-4 412 217
0	46 951	-46 951	Council Speaker's Office	0	212 616	-212 616
0	1 321 823	-1 321 823	Council Mayor's Office	0	1 120 160	-1 120 160
0	1 814 250	-1 814 250	Administration Stellenbosch	0	1 400 813	-1 400 813
0	662 587	-662 587	Administration Franschhoek	0	667 272	-667 272
0	4 672 831	-4 672 831	Information Technology	0	4 825 601	-4 825 601
1 914 128	1 914 128	0	Special Fund Leave Gratification	2 075 820	2 075 820	0
245 615	245 615	0	Special Fund LWGSETA Training	699 230	699 230	0
0	0	0	Special Fund Leuven Study Grant	6 575	6 575	0
78 190	3 979 312	-3 901 122	STRATEGIC SERVICES	114 986	7 371 481	-7 256 495
0	627 003	-627 003	Liason Services	0	695 601	-695 601
7 390	855 790	-848 399	Integrated Development Plan	14 220	922 884	-908 664
0	1 712 914	-1 712 914	Strategic Services General	0	2 574 212	-2 574 212
0	712 806	-712 806	Strategic Support	0	817 131	-817 131
0	0	0	Local Economic Development	0	2 260 886	-2 260 886
70 800	70 800	0	Special Fund Performance Management	0	0	0
0	0	0	Special Fund CDW Support Grant	100 766	100 766	0
146 279 828	46 840 060	99 439 768	FINANCIAL SERVICES	157 978 207	42 779 569	115 198 638
129 331 219	28 804 165	100 527 053	Financial Services General	139 542 297	22 231 558	117 310 739
25 957	905 425	-879 468	Stores	4 079	946 023	-941 943
0	207 817	-207 817	Supply Chain Management Unit	0	62 898	-62 898
16 179 870	16 179 870	0	Special Fund Masakhane	17 527 465	17 527 465	0
269 104	269 104	0	Special Fund Self-Insurance	0	1 107 259	-1 107 259
473 678	473 678	0	Special Fund Financial Management Grant	904 366	904 366	0
21 763 557	14 208 005	7 555 552	INTEGRATED HUMAN SETTLEMENT SERVICES	20 317 935	16 075 447	4 242 489
15 140 530	6 910 651	8 229 879	Director: Integrated Human Settlement	16 433 683	6 427 296	10 006 386
2 073 177	2 605 145	-531 968	Housing Administration	2 310 688	5 663 510	-3 352 822
0	0	0	New Housing	0	900 462	-900 462
0	0	0	Housing Special Projects	0	1 450 000	-1 450 000
0	142 360	-142 360	Project Management Unit	0	60 613	-60 613
0	0	0	Special Fund Housing Consumers	639	639	0
650 767	650 767	0	Maintenance Housing Schemes	694 490	694 490	0
3 899 083	3 899 083	0	Housing Schemes	878 435	878 435	0
480 422 753	506 041 064	-25 618 311	Sub-Total	500 052 860	521 815 353	-21 762 493
0	-75 549 730	75 549 730	Less: Inter-departmental Charges	0	-74 168 759	74 168 759
480 422 753	430 491 334	49 931 419	Total	500 052 860	447 646 594	52 406 266

APPENDIX E(1)
STELLENBOSCH MUNICIPALITY: ACTUAL vs. BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 Actual R	2007/2008 Original Budget R	2007/2008 Adjusted Budget R	2007/2008 Variance R	2007/2008 Variance %	Explanation of Significant Variances Greater than 10% versus Budget
REVENUE						
Property rates	101 769 099	101 915 000	101 915 000	-145 901	-0.14	
Property rates - penalties imposed and collection charges	2 273 054	960 830	1 393 870	879 184	63.08	Numerous increases in interest rate used for calculations of penalties.
Service charges	242 515 636	246 339 974	246 876 514	-4 360 878	-1.77	
Rental of facilities and equipment	4 184 240	9 776 666	9 955 246	-5 771 006	-57.97	Rental income realised lower than anticipated.
Interest earned - external investments	22 467 369	9 252 750	16 791 310	5 676 059	33.80	Increased interest rate as well as increase in investments.
Interest earned - outstanding debtors	2 531 019	3 766 000	3 766 000	-1 234 981	-32.79	
Fines	15 348 868	21 632 180	19 426 070	-4 077 202	-20.99	Problems with issuing of summonses caused lower collection of funds.
Licences and permits	21 651 090	19 513 010	21 358 440	292 650	1.37	
Government grants and subsidies	48 046 902	26 556 190	21 305 204	26 741 698	125.52	Capital receipts not budgeted for, but recorded via Statement of Financial Performance
Other income	21 816 948	26 015 140	27 433 696	-5 616 748	-20.47	Income on several votes realised lower than expected
Public contributions, donated and contributed property, plant and equipment	4 261 314	0	0	4 261 314	100.00	Capital receipts not budgeted for, but recorded via Statement of Financial Performance
Gains on disposal of property, plant and equipment	13 187 320	0	0	13 187 320	100.00	Gain on sale of land not budgeted for, but recorded via Statement of Financial Performance
Total Revenue	500 052 859	465 727 740	470 221 350	29 831 509	5.97	
EXPENDITURE						
Employee related costs	154 149 309	162 039 276	154 236 357	-87 048	-0.06	
Remuneration of Councillors	7 641 048	7 118 225	7 749 822	-108 774	-1.40	
Bad debts	11 543 962	11 555 492	11 555 492	-11 530	-0.10	
Collection costs	752 678	600 870	759 010	-6 332	-0.83	
Depreciation	40 180 479	51 248 053	51 248 053	-11 067 574	-21.60	Depreciation costs realised lower than anticipated
Repairs and maintenance	25 932 998	22 000 591	23 673 369	2 259 629	9.55	
Interest on borrowings	3 214 351	3 321 530	3 321 530	-107 179	-3.23	
Bulk purchases	82 587 274	80 343 250	81 278 250	1 309 024	1.61	
Grants and subsidies paid	4 415 217	4 155 560	4 064 040	351 177	8.64	
General expenses - other (including abnormal expenses)	114 505 856	119 794 673	129 512 731	-15 006 875	-11.59	Expenditure on several votes realised lower than expected
Contributions to/(transfers from) provisions	2 723 422	3 550 220	2 822 696	-99 274	-3.52	Compulsory contributions to provisions calculated to be higher than expected
Sub-total	447 646 594	465 727 740	470 221 350	-22 574 756	-5.04	
NET SURPLUS/(DEFICIT) FOR THE YEAR	52 406 265	0	0	52 406 265	100.00	

APPENDIX E(2)
STELLENBOSCH MUNICIPALITY: ACTUAL vs. BUDGET (ACQUISITION OF PROPERTY, PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 Actual R	2007/2008 Budget R	2007/2008 Variance R	2007/2008 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Infrastructure					
Car parks	401 661	398 400	3 261	0.82	
Fencing	698 364	727 782	-29 418	-4.04	
Footways	218 890	184 000	34 890	18.96	
Meters electrical	182 260	510 620	-328 360	-64.31	Pj.07-0158D, H, I & J did not realise
Meters water	68 063	68 064	-1	0.00	
Paving	111 873	112 582	-709	-0.63	
Pump stations	1 365 284	1 889 286	-524 002	-27.74	Pj. 07-0084 Actual expenditure realised lower than budgeted amount
Purification works	6 209 672	6 529 047	-319 375	-4.89	
Other roads	10 049 827	11 957 564	-1 907 737	-15.95	Pj. 06-0101 Actual expenditure realised lower than budgeted amount (NMT Projects)
Security system	650 342	785 225	-134 883	-17.18	Pj. 02-0491 Actual expenditure realised lower than budgeted amount
Sewers	3 719 704	3 615 837	103 867	2.87	
Sludge machines	281 787	316 508	-34 721	-10.97	Pj. 07-0198 Actual expenditure realised lower than budgeted amount
Sewerage pumps	81 213	90 000	-8 787	-9.76	Pj. 07-0224 Actual expenditure realised lower than budgeted amount
Street lighting	112 612	124 189	-11 577	-9.32	Pj. 07-0175 & Pj.07-0171 Actual expenditure realised lower than budgeted amount
Supply/reticulation elec	3 351 966	6 930 000	-3 578 034	-51.63	Pj. 07-0207 Actual expenditure realised lower than budgeted amount
Supply/reticulation water	1 479 809	1 502 160	-22 351	-1.49	
Stormwater drai	554 332	509 073	45 259	8.89	
Reservoirs & tanks	215 268	215 268	0	0.00	
Taxiways	683 353	5 654 335	-4 970 982	-87.91	Pj. 04-0133 Actual expenditure realised lower than budgeted amount
Traffic islands	281 878	351 814	-69 936	-19.88	Pj. 06-0103PH Actual expenditure realised lower than budgeted amount
Traffic lights	2 728 777	3 008 160	-279 383	-9.29	Pj. 05-0015 Actual expenditure realised lower than budgeted amount
Street names &	62 336	62 600	-264	-0.42	
	33 509 273	45 542 514	-12 033 241	-26.42	
Community Assets					
Buildings	1 121 149	1 148 166	-27 017	-2.35	
Cemeteries	404 304	405 000	-696	-0.17	
Community centr	781 319	819 500	-38 181	-4.66	
Fire station	46 250	46 500	-250	-0.54	
Floodlighting	178 768	561 000	-382 232	-68.13	Pj. 07-0220 Actual expenditure realised lower than budgeted amount
Clinics/hospita	46 000	46 100	-100	-0.22	
Lakes and dams	161 317	200 000	-38 683	-19.34	Pj. 06-0009 Actual expenditure realised lower than budgeted amount
Libraries	295 975	299 700	-3 725	-1.24	

APPENDIX E(2)
STELLENBOSCH MUNICIPALITY: ACTUAL vs. BUDGET (ACQUISITION OF PROPERTY, PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2008

	2007/2008 Actual R	2007/2008 Budget R	2007/2008 Variance R	2007/2008 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Municipal build Outdoor sports Parks	4 938 082	5 184 248	-246 166	-4.75	Pj. 03-0030 Actual expenditure realised lower than budgeted amount
	576 631	576 783	-152	-0.03	
	496 906	570 630	-73 724	-12.92	
	9 046 702	9 857 627	-810 925	-8.23	
Other Assets					
Cabinets/cupboards	6 500	7 000	-500	-7.14	Pj. 07-0178 Actual expenditure realised lower than budgeted amount
Computer hardware	2 156 900	2 190 321	-33 421	-1.53	
Computer software	1 082 438	1 086 000	-3 562	-0.33	
Equipment	409 113	410 000	-887	-0.22	
Electrical equipment	4 377 308	4 674 380	-297 072	-6.36	Pj. 06-0033 Actual expenditure realised lower than budgeted amount
Laboratory equipment	199 147	199 817	-670	-0.34	
Radio equipment	640 199	653 920	-13 721	-2.10	
Telecommunications	34 350	60 000	-25 650	-42.75	Pj. 06-0043 Actual expenditure realised lower than budgeted amount
Fire equipment	234 903	246 000	-11 097	-4.51	
Generator	0	197 602	-197 602	-100.00	Pj.07-0221 did not realise
General plant & equipment	35 159	90 000	-54 841	-60.93	Pj.07-0212 did not realise
House hold refuse bins	2 001 415	2 216 027	-214 612	-9.68	Pj. 05-0085 Actual expenditure realised lower than budgeted amount
Housing schemes	22 578 524	25 923 000	-3 344 476	-12.90	Pj. 02-0066 Actual expenditure realised lower than budgeted amount
Hoist refuse	217 544	217 544	0	0.00	
Irrigation systems	302 548	302 790	-242	-0.08	
Miscellaneous fixtures	1 845 210	1 962 255	-117 045	-5.96	Pj. 04-0077B & Pj.04-0091H Actual expenditure realised lower than budgeted amount
Office building	148 492	155 900	-7 408	-4.75	
Office machines	285 035	296 907	-11 872	-4.00	
Other land	463 035	619 000	-155 965	-25.20	Pj.03-0158 did not realise
Pumps	362 671	362 710	-39	-0.01	
Town planning	427 580	441 890	-14 310	-3.24	
Vehicles	759 602	761 100	-1 498	-0.20	
Compactor truck	2 019 426	2 027 090	-7 664	-0.38	
Fire engines	367 306	367 500	-194	-0.05	
Trucks	3 659 255	3 757 266	-98 011	-2.61	
Total	44 613 659	49 226 019	-4 612 360	-9.37	
	87 169 634	104 626 160	-17 456 526	-16.68	

APPENDIX F
STELLENBOSCH MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 JUNE 2008
IN TERMS OF SECTION 123 OF MUNICIPAL FINANCE MANAGEMENT ACT, ACT NO 56 OF 2003

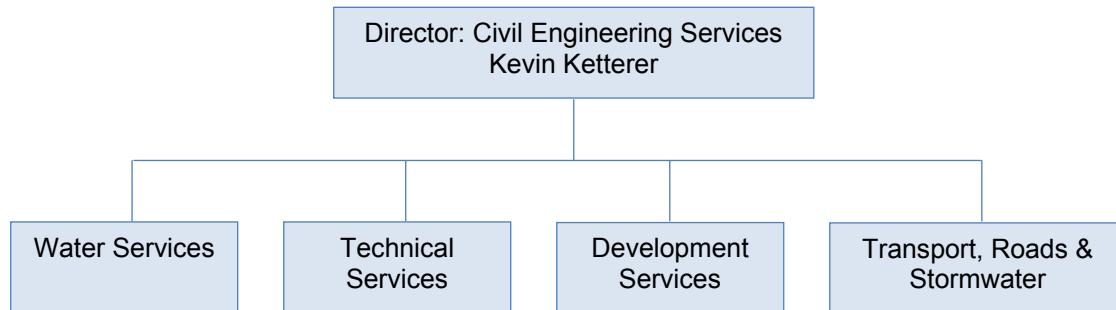
Name of Grant	Name of organ of state	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reasons for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act?	Reason for non-compliance
		September	December	March	June	September	December	March	June	September	December	March	June	Yes / No		
Equitable share	National Government	5 758 533		11 517 066		7 202 242	1 175 615	1 061 369	8 088 239	0	0	0	0		Yes	
Provincial health subsidies	Dept Health	0	0	0	462 429	462 429	0	0	0	0	0	0	0		Yes	
Performance management		0	0	0	0	0	0	0	0	0	0	0	0		Yes	
Growth management strategy	Dept of Environmental affairs and development	0	0	0	0	0	16 500	0	0	0	0	0	0		Yes	
Library Services Support	PAWC	0	0	0	0	58 370	90 012	60 982	119 653	0	0	0	0		Yes	
CDW Support	PAWC	0	0	0	100 766	0	0	0	100 766	0	0	0	0		Yes	
Financial management grant	National Treasury	250 000	0	0	0	172 150	213 677	241 470	277 069	0	0	0	0		Yes	
LGWSETA Training	PAWC	0	0	397 805	48 939	19 880	273 440	137 932	267 978	0	0	0	0		Yes	
Magazine subsidy	PAWC	298	0	10	2 148	298	0	10	2 148	0	0	0	0		Yes	
National government - Capital projects	MIG Funds	900 000	299 772	1 050 171	1 479 473	0	0	0	3 729 416	0	0	0	0		Yes	
National government - Capital projects	Dept of Transport	0	0	0	2 561 000	6 260	0	14 702	1 468 010	0	0	0	0		Yes	
National government - Capital projects	Dept of Water Affairs & Forestry	0	0	0	255 000	5 894	0	0	0	0	0	0	0		Yes	
National government - Capital projects	Dept of Prov & Local Government	0	0	0	619 505	0	397 771	0	214 270	0	0	0	0		Yes	
Provincial government - Capital projects	National Housing Board	0	0	0	26 630 015	113 988	4 961 623	4 254 941	7 153 087	0	0	0	0		Yes	
Provincial government - Capital projects	DME	0	0	1 332 000	0	274 181	2 122 123	76 596	1 138 364	0	0	0	0		Yes	
Provincial government - Capital projects	PAWC	0	0	7 318 792	0	0	0	1 497 172	452 609	0	0	0	0		Yes	
		6 908 831	299 772	21 615 844	32 159 275	8 315 692	9 250 761	7 345 174	23 011 608	0	0	0	0			

APPENDIX G
STELLENBOSCH MUNICIPALITY: STATISTICAL INFORMATION

	2007/2008	2006/2007	2005/2006
GENERAL STATISTICS			
Population	135 874	135 874	±118 708
Number of registered voters	64 740	63 499	64 143
Area (in km ²)	811	811	811
Valuation			
Taxable	15 416 369 905	15 044 023 173	14 799 353 465
Non-taxable	655 805 290	659 867 496	636 066 595
Valuation date	01/01/2004	01/01/2004	01/01/2004
Number of properties			
Residential	19 960	19 692	19 160
Other	4 882	4 882	4 061
Assessment rates			
Non-residential (per rand)	0.9638c	0.9092c	0.8518c
Residential (per rand)	0.6747c	0.6365c	0.6033c
Rebates			
Pensioners: income to R3 500pm	15%	15%	15%
R3 501 to R4 000pm	10%	10%	10%
Johannesdal (small holdings)	Discontinued	Discontinued	Discontinued
Number of employees	1 073	1 119	1 084
CLEANSING			
Distance in kilometers	341 874	316 800	361 096
Refuse removed	320 000	306 600	364 500
Total expenditure - Rand	19 989 355	21 613 670	20 575 345
Cost per m removed - Rand	73.00	70.49	56.45
Total income - Rand	19 989 355	21 613 670	19 172 207
Income per m removed - Rand	74.00	70.49	52.60
SEWERAGE			
Sewerage water purified - megaliter	8 785	8 785	7 572
Total expenditure - Rand	26 123 540	28 699 805	27 878 098
Cost per megaliter purified - Rand	2 973.65	3 266.91	3 681.74
ELECTRICITY			
Units (kWh) bought	380 557 221	373 040 242	364 383 812
Cost per kWh bought - cents	19.2c	11.91c	16.90c
Units (kWh) sold	359 166 097	347 473 991	343 276 286
Units (kWh) unaccounted for in distribution	21 391 124	25 566 251	21 107 526
Percentage lost in distribution	5.62	6.85	5.79
Total expenditure - Rand	141 548 450	126 319 253	23 215 587
Cost per unit sold - cents	39.41	36.35	6.76
Total income - Rand	159 440 811	149 534 840	22 697 030
Income per unit sold - cents	44.39	43.03	6.61
Number of consumers	24 504	24 212	23 390
WATER			
Units (kiloliter) bought	5 769 917	5 675 320	2 655 465
Cost per kiloliter bought - cents	1.35	1.49	1.34
Units (kiloliter) sold	10 072 563	9 571 524	9 163 219
Kiloliter unaccounted for in distribution	1 777 511	3 768 788	3 585 901
Percentage unaccounted for in distribution			
Total expenditure - Rand	49 312 767	52 643 235	48 429 053
Cost per kiloliter sold - cents	489.58	550.00	528.52
Total income - Rand	45 516 753	49 558 590	47 597 178
Income per kiloliter sold - cents	451.89	517.77	519.44
Number of users	19 960	19 238	19 056

Functional Service Delivery Reporting

5.1 CIVIL ENGINEERING SERVICES



Staff profile: Engineering Services

Organisational structure	Total employed	Total cost/month	Total cost/annum
Legislators / senior management	12	404 722	4 856 661
Professionals	4	77 439	929 262
Craft and related trades	51	528 588	6 343 058
Technicians	12	123 398	1 480 771
Service workers	0	-	-
Operators	24	174 833	2 098 000
Elementary occupations	255	1 510 239	18 122 874
Clerks/administration	9	103 014	1 236 171
Contract staff	0	-	-
Drivers	34	285 611	3 427 336
TOTAL	401	3 207 844	38 494 133

5.1.1 WATER SERVICES

Description of the function

Stellenbosch Municipality is responsible for the distribution of potable water within the municipal area. The Water Branch is part of Trading Services. The function has a depot in Beltana and a subdepot in Franschhoek. The Service is managed from The Ecclesia Building, Plein Street, Stellenbosch. Furthermore Stellenbosch Municipality is responsible for supplying a waterborne sewage system, or an acceptable alternative to all residents in the municipal area. Seven sewage-treatment plants treat sewage effluent, with sewerage networks and tankers conveying sewage to the plants. This service has a personnel component of about 100 trained and operational staff distributed among the seven sewage treatment plants, a depot at Beltana and a subdepot at Franschhoek.

The Water Services Department is divided into two sections, namely:

- Bulk Water and Sanitation
- Network Operations

A BULK WATER

Stellenbosch Municipality is partly self-sufficient in regards to providing purified water to its residents. The bulk of the water is purified at the Idas Valley filtration plant, which comprises slow sand filters. The capacity of the plant is 340 l/s (29 Mℓ per day).

Water purchased from the Department of Water Affairs and Forestry (DWAF) through the Theewaterskloof tunnel scheme is purified at the Paradyskloof water treatment plant. The capacity of the plant is 120 l/s (10 Mℓ per day).

Franschhoek, which forms part of the municipal area, has a basic purification plant with a capacity of 26 l/s (2.25 Mℓ per day).

The bulk infrastructure consists of 43 reservoirs, 23 pump stations and 14 chlorination stations, where purified water is stored before distribution to the users. Water for the town of Stellenbosch, which is drawn from the Eerste River in Jonkershoek Valley, is stored in two storage dams with a total capacity of 2 375 M³.

In Franschhoek, water is drawn off from the Franschhoek Mountain at Perdekloof and supplemented by water acquired from the City of Cape Town. The water is purified and distributed via five reservoirs.

Klapmuts, Pniel, Johannesdal and Kylemore are towns in the municipal area that are supplied with potable water that was treated by another authority. The potable water is acquired from the Cape Metropolitan Council and is drawn off the Wemmershoek main line to Cape Town. Potable water is also acquired from other sources from the City of Cape Town in the southern section of the municipal area.

The quality of the water is monitored in terms of a water-quality assurance programme and chlorine is added to maintain a high standard of bacteriological quality.

1. The Municipality's mandate

Stellenbosch Municipality is responsible for the supply of potable water of a prescribed quality in accordance with the SANS 241 Drinking Water Quality specifications to the residents within its jurisdiction in terms of Schedule 4B of the Constitution: 'Water and Sanitation Services limited to potable water supply systems'.

2. Strategic objectives of the function

Appropriate, affordable and well maintained water and sanitation services

3. Key issues for the current financial year

- The water purification plants are to be upgraded and maintained so as to operate without interruption and at their design capacity.
- Considerable progress must be made towards an integrated water master plan for the municipal area.

4. Analysis of the function (2007/2008 financial year)

Detail	Total
<i>Note: Total number calculated on full-time equivalent (FTE) basis. Total cost includes total salary package.</i>	
Total volume and cost of bulk water purchases: kilolitres and Rand	Volume
• Raw water (internal) (Idas Valley)	6 080 157
• Raw water (external) (Paradyskloof & Du Toit's Kloof/Franschhoek)	2 293 841
• Treated water	3 476 076
Total volume treated	Volume
• External sources	3 476 076
• Internal sources	8 373 998
Volume distributed	11 850 074
Bulk treatment loss (<i>undeterminable at this stage</i>)	–
Volume accounted for	9 269 269
Distribution loss	2 580 805

B NETWORK OPERATIONS

The distribution network consists of 470 km pipelines, valves, hydrants, water connections and water meters.

All maintenance work is carried out by the depot staff, who is assisted in their duties by a telemetry system that conveys information of the network to a central computer.

Burst mains and problems within the network are reported by residents and are handled by the complaints desk. The complaints are conveyed to the personnel by means of radio communication.

1. Strategic objectives of the function

The supply of good-quality drinking water to the residents in the Stellenbosch municipal area, with the least possible interruption, for example as few incidents as possible of pipe breakages. In order to achieve such a goal, pipe replacement continually takes place.

- to provide an effective and acceptable service to all residents within the municipal boundaries;
- to provide waterborne sewerage capacity for urban and rural areas;
- to timeously provide appropriate capacity in the sewage-removal network;
- to provide communication and education in respect of sanitation in informal areas;

- to replace and extend existing infrastructure in a sustainable manner;
- to implement a quality management system;
- to provide and maintain communal utilities in the informal areas;

2. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- The maximum length of old water pipes must be replaced with new pipes within the limitations of the budget.
- The upgrading of the network infrastructure, with reference to the master plan.
- Water provision on farms must be surveyed. the upgrading of the network infrastructure, with reference to the master plan;
- the completion of upgrading of the ablution facilities in the rural areas;
- the training of frontline personnel at all call centres, with special regard to the handling of complaints from the public.

3. Analysis of the function (2007/2008 financial year)

Detail	Total
Number of and cost to employer of personnel	100
Number of households with water services: type and cost of service	Total
• <i>Piped water inside dwelling</i>	16 484
• <i>Piped water inside yard</i>	380
• <i>Piped water on community stand: distance < 200 m from dwelling</i>	±4 500
• <i>Households without basic service</i>	0
• <i>Water received through intermediaries</i>	NA
Number of new connections	Number
• <i>22 mm (low-cost units excluded)</i>	305
• <i>25 mm and above</i>	27
Number and cost of:	Number
• <i>Disconnections</i>	0
• <i>Reconnections</i>	0
Total blockages cleared	Total
• <i>Main line</i>	906
• <i>Private</i>	1608
Number of households with sewerage services: type and cost of service	Total
• <i>Flush toilets (connected to sewerage system)</i>	15 750
• <i>Communal toilet blocks</i>	58
• <i>Bucket latrines</i>	—
Number of households with sewerage services: type and cost of service	Total
• <i>Flush toilets (connected to sewerage system)</i>	15 750
• <i>Communal toilet blocks</i>	58
• <i>Bucket latrines</i>	—

C SANITATION

1. The Municipality's mandate

The Municipality is responsible for delivering an effective, affordable and sustainable service to all within legal and budgetary constraints in terms of Schedule 48 of the Constitution. All waste water treatment plants in the municipal area are operated under the specific conditions of the Water Act, in accordance with the permit requirements of the Department of Water Affairs and Forestry.

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to operate the waste-water treatment plants in such a manner as to prevent the pollution of the rivers;
- to manage and maintain all equipment and plant associated with the sanitation services;
- to research and develop waste water services;
- to upgrade monitoring equipment at all waste water plants.

3. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- the upgrading of the Stellenbosch, Pniel, Klapmuts and Franschhoek waste water treatment plants;
- the monitoring and reporting on the chemical and bacteriological conditions of all rivers, with special regard to the Plankenbrug, Veldwachters and Eerste rivers;
- the training of operational personnel at all waste water plants, with special regard to process control, operation and maintenance;
- the implementation of by-laws pertaining to the discharge of effluent from small industries, with special regard to that from restaurants and commercial laundries.

4. Analysis of the function (2007/2008 financial year)

Detail		Volume
Sewage treated per plant (megalitre)		
• Plant 1 (Stellenbosch)		6 122
• Plant 2 (Franschhoek)		216
• Plant 3 (Klapmuts)		148
• Plant 4 (Pniel)		426
• Plant 5 (Raithby)		24
• Plant 6 (Wemmershoek)		63
• Plant 7 (La Motte)		72

5.1.2 SOLID WASTE MANAGEMENT

1 Description of the function

The Solid Waste Unit manages an approved waste site, a transfer station and day-to-day waste collection from both households and businesses.

The municipal depot at Beltana is headed by the Manager: Solid Waste Management, Head, technician and comprises about 63 trained and operational staff.

Waste removal is charged to residents separately and covers the cost of the service, including free service delivery in informal areas, as well as the management of the waste site.

2 The Municipality's mandate

The Municipality operates this function under Schedule 5B of the Constitution: "Cleansing, Refuse Removal, Refuse Dumps and Solid Waste Disposal". The dumping site is operated under the specific conditions set out in the permit under the Environmental Conservation Act of 1989.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to provide a sufficient waste removal service to all residents within the municipal boundaries;
- to keep the municipal road reserves and public places clean and tidy;
- to manage the dumping site in such a manner as to prevent any pollution of underground water, air pollution and groundwater pollution;
- to manage and maintain all departmental vehicles;
- to ensure that the health and safety of all personnel and residents is in good condition from a solid waste perspective;
- to increase recycling in the municipal area; and
- to regulate cleansing, refuse and solid waste at the municipal level.

4 Key issues for the current financial year

The key issues for the current financial year consist of the following:

- the rendering of a proper refuse collection system in the rural areas;
- Introduction of the wheely bin collection system throughout Stellenbosch

5 Analysis of the function (2007/2008 financial year)

Detail		Total	Total	Cost (R)
Number of, and cost to employer of, personnel				
• Legislators		1		279 448
• Professionals		1		223 399
• Technicians		1		203 193
• Elementary occupations		53		3 659 603
• Operators		2		169 967
• Clerks or administrative personnel		2		156 794
• Contract personnel (for government-funded projects)				0
• Craft and related trades		4		435 605
• Drivers		8		790 340
<i>Note: Total number calculated on FTE basis, total cost including total salary package</i>				
Number of households receiving regular refuse removal services: frequency and cost of service			Total	Cost
• Removed by Municipality at least once a week		23 800		—
• Removed by Municipality less often		4 000		—
• Communal refuse dump used		3		—
• Number of businesses serviced		3 000		—
• Number of farms serviced		NA		—
• No rubbish disposal		NA		—
Refuse disposed: Total and projected tonnage	2004/05	2005/06	2006/07	2007/08
	229 149	263 984	281462	310 000

Refuse recycled	Mass	
• Waste site and plastic, paper, steel and bricks	565765kg	
Refuse-disposal site: capacity and life expectancy	Capacity	Life exp.
		4 months

5.1.3 TRANSPORT, ROADS & STORMWATER

1 Description of the function

Stellenbosch Municipality is responsible for the roads (300 km of paved and 32 km of gravel roads) and stormwater reticulation (250 km) within the towns and hamlets of the municipal area. The Roads and Stormwater Department functions as a department on its own, headed by the Head Roads and Stormwater, with about 75 trained technical, artisans and other operational staff. The main depot is located at Beltana with a secondary depot in Franschhoek; the senior officials are at the head office.

The Municipality approved a new section, namely Public Transport and Transport, as part of the macro-structure of the department and is headed by the Head: Public Transport and Transport Planning assisted by one technician.

2 The Municipality's mandate

The Municipality, in terms of its developmental local government mandate, is responsible for providing all relevant services in respect of roads and stormwater in those areas included within the boundaries of the towns and hamlets in the municipal area. This, in terms of Schedules 4B and 5B of the Constitution, includes 'Municipal Public Transport; Stormwater Management Systems in built-up areas; Municipal Roads'. Apart from executing national and provincial legislation and the legislation contained in white and green papers, the department is also responsible for executing all Council resolutions, policies and powers delegated by Council. Proclaimed roads outside the town areas are still the responsibility of either the Province or the Cape Winelands District Municipality.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to provide sufficient capacity for the movement of motorised vehicles;
- to reduce demand for personal travel;
- to provide sufficient capacity for the movement of bicycles;
- to provide sufficient capacity for the movement of pedestrians;
- to provide public transport and facilities to that effect (such as taxi ranks);

- to provide sufficient maintenance capacity in order to ensure that all infrastructure remains in good operational condition;
- to provide a stormwater management system in built-up areas; and
- to monitor base flow in rivers and water-quality assurance.

4 Key issues for the current financial year

For the current financial year, the focus will be on reducing backlogs regarding the upgrading of roads and stormwater in areas such as Kylemore, Klapmuts and the former forest villages namely La Motte and Wemmershoek. Jamestown's backlog will be eradicated during this financial year. A priority is to focus on transport planning various specific public transport projects, including taxi bays, taxi shelters, pedestrian walkways and sidewalks both in urban and in rural areas. The ongoing maintenance of existing road and stormwater systems remains the key priority of the department.

5 Analysis of the function (2007/2008 financial year)

Detail	Base year	
	2006/07	2007/08
km and cost of major roads		
• <i>Subsidy roads – km</i>	26.2	26.2
a. <i>Capital cost</i>	3150 000	1 132 500
b. <i>Maintenance cost</i>	380 000	387 433
• <i>Main road – km</i>	29.7	29.7
a. <i>Maintenance</i>	346 200	365 000
b. <i>Reseal</i>	65 000	437 341
km and cost of streets		
• <i>Existing tar (km)</i>	270.5	278.5
(cost)	—	—
• <i>New tar (km)</i>	2	6
(cost)	6 000 000	1 841 676
Other	2006/07	2007/08
• <i>Gravel (km)</i>	31.4	25
(maintenance cost)*	256 280	237 432
• <i>Cycle path (km)</i>	7.2	7.2
(maintenance cost)	10 250	10 500
• <i>Pedestrian paths (km)</i>	117	117
(maintenance cost)	734 690	756 920

- (as in operating budget)

5.1.4 DEVELOPMENT SERVICES

1 Description of the function

The head office of the Directorate includes all senior staff, administrative, computer system, township development and project management functions. The office acts as the hub of the directorate responsible for planning, budgeting and controlling. Development Services supplies logistical backup, staff services and support to the Director and other divisions, branches and depots.

2 The Municipality's mandate

The Directorate, including Development Services, is responsible for the management of Engineering and Technical Services of Stellenbosch Council in terms of the Constitution, other relevant legislation, Council policy and delegations, as described in the overview of activities of the Directorate. Responsibilities include water services, waste, roads and stormwater, traffic and transport planning and project management.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

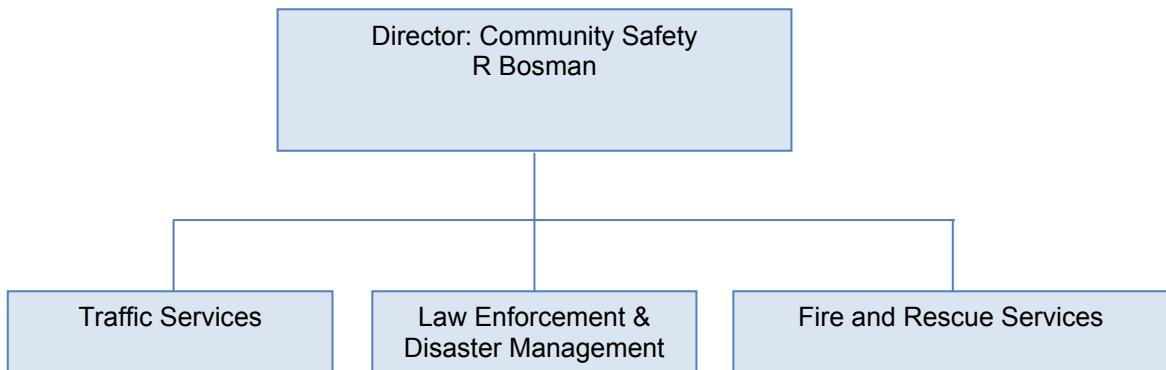
- to supply basic engineering services to Stellenbosch;
- to supply free basic engineering services to the poor;
- to supply engineering services to a vibrant and growing local economy and community;
- to comply with relevant legislation; and
- to facilitate new developments.

4 Key issues for the current financial year

Key issues entail revising and/or establishing the following:

- the employment equity plan;
- the training plan;
- structure and staffing;
- the multi-year budget;
- the bulk contribution policy;
- the complaints system;
- the administration system;
- facilities and equipment; and
- project management.

5.2 COMMUNITY SAFETY



5.2.1 TRAFFIC SERVICES

1 Description of the function

(a) Traffic administration

Traffic administration entails the following:

- Court Section: All traffic fines which are issued by staff are processed and captured on the computerised contravention system. The process is managed on the system until completion by payment or resolution of the legal process.
- Vehicle registration and licensing: Stellenbosch Municipality is an agent for the provincial administration, as vehicle licensing is a constitutional obligation of the provincial sphere of government. All applications for the renewal of motor vehicle licences and the registration of new and used vehicles are handled at this office.
- Motor vehicle testing centre: The grade A testing centre can test different types of motor vehicles for roadworthy purposes, keeping in mind that it is a prerequisite for a vehicle to be licensed.
- Learners and driver testing.
- Administrative and technical support.

(b) Traffic Law Enforcement

Traffic law enforcement entails the following:

- the provision of an accident bureau and accident reconstruction;
- the traffic control and traffic flow management;
- the public transport management;
- general and specialised traffic enforcement; and
- electronic enforcement equipment.

2 The Municipality's mandate

A service agreement exists with provincial administration to deliver aspects of the service, such as licensing and vehicle testing in conformance with the National Road Traffic Act (Act No. 93 of 1996) and Council policies. The provision of the service is also done in terms of the provisions of the Criminal Procedure Act, as well as in terms of the guidelines laid down by the Director of Public Prosecutions in respect of traffic enforcement-related matters.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- the reduction of road fatalities by at least 5% in comparison with the previous year;
- to improve visible policing, in order to reduce collision rates;
- to improve community participation in awareness projects;
- to identify and implement road safety projects;

- to assist in the compilation of a master plan for traffic, emphasising an efficient public transport system and improving traffic flow management; and
- to reduce congestion and improve traffic flow for motorists in the Stellenbosch CBD.

4 Key issues for the current financial year

The key issues for the current financial year consist of the following:

- poor levels of visible traffic policing;
- the backlog in driver's licence appointments;
- the high level of pedestrian fatalities and high in accident rate
- the inadequate levels of traffic law enforcement.
- The collection of traffic fines
- The policing of illegal taxi operating

5.2.2 LAW ENFORCEMENT & DISASTER MANAGEMENT

1 Description of the function

(a) Law Enforcement and Security

Enforcement of by-laws and regulations:

Compliance with municipal by-laws and regulations and enforcement against those who do not comply are a key component in the development of a culture against lawlessness and in the rectification of problems that have occurred.

Peace officer status:

Law enforcement officers are peace officers in terms of Notice R209 of the Criminal Procedure Act (Act No. 51 of 1977), with specifically delineated powers of arrest, as contained in the aforesaid notice.

Policing of informal trading:

Unregulated street trading, illegal dumping and the illegal occupation of land and buildings are largely to blame for the deterioration of towns and the growth of a culture of lawlessness. It is, therefore, essential that municipal by-laws and regulations be enforced consistently and effectively. The multitasking of officials is equally essential for the optimum and affordable use of personnel in the local government context, given the extremely broad range of responsibilities and functions required from municipal law enforcement services.

Security services (VIP protection and the protection of Council property, personnel and buildings):

The comprehensive assets of Council require protection. Our municipal law enforcement officers have developed into well-trained, multitasked employees who :

- provide a secure environment for Council operations, protecting meetings, cash-taking staff and councillors, as well as guarding the general public on municipal property;
- manage a 24-hour control centre, ensuring the operation of two-way radios, and PABX, CCTV and security systems, etc.;
- rapidly respond to municipal alarms and violations that are captured on CCTV;
- investigate theft;
- protect employees during actions taken in connection with land invasion;
- protect cash in transit; and
- render VIP protection, as required at official functions, for both the Mayor and for councillors where threats are verifiable.

(b) Disaster Management

The term 'disaster management' encompasses all aspects of planning and response to disasters in a well co-ordinated manner. Activities include prevention, mitigation, preparedness, response, recovery and rehabilitation and, furthermore, ensure suitable development. Disaster management cuts both horizontally and vertically through all activities of all municipal directorates and departments and all levels of government, the private sector and communities.

(c) Occupational health and safety:

The function provides for the health and safety of people at work and for the health and safety of people relating to the use of plant and machinery; the protection of people other than those at work, against hazards to their health; and safety arising out of or in connection with the activities of people at work.

The function also seeks to ensure that Stellenbosch Municipality provides and maintains, as far as is practicable, a safe work environment that does not pose a risk to the health of either its employees or those impacted on by its services.

(d) The monitoring of crime hot spots

The function manages and formulates policy on the deployment and use of CCTV systems in the Greater Stellenbosch area towards the reduction and elimination of crime which might otherwise occur at hot spots.

The function also monitors CCTV and intrusion detection deployments on municipal property.

The function furthermore manages and formulates policy relating to the deployment and use of CCTV, cameras and intrusion detection equipment utilised by Stellenbosch Municipality, which includes the resources required to provide an efficient monitoring service.

2 The Municipality's mandate

The Municipality is mandated by a number of acts (such as the Criminal Procedure Act, as well as the Disaster Management Act), regulations, by-laws and policies. The Municipality also has a myriad of by-laws that it requires staff to enforce.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to annually revise the Disaster Management Plan, in terms of the Systems Act No. 32 of 2000;
- to ensure the safety and security of municipal buildings and municipal property, as well as all those in and on them;
- to ensure compliance with the by-laws in the Greater Stellenbosch area;
- to establish effective and efficient by-law enforcement in the Greater Stellenbosch area;
- to achieve an effective and efficient integrated digital radio trunking and telephone system for the Municipality in the Greater Stellenbosch area;
- to promote the health and safety of staff in the workplace; and
- to ensure the effective and efficient management of municipal halls in the Greater Stellenbosch area for the benefit of the Municipality and the general public.

4 Key issues for the current financial year

Law Enforcement

The key issues for law enforcement for the current financial year consist of the following:

- the increased visibility of law enforcement officers in all areas;
- the regulation and policing of informal trading;
- the regulation and policing of the homeless and vagrants;
- the effective enforcement of police by-laws and national and provincial legislation to create a safer environment; and
- an increase in the number of staff and the supply of equipment.

Disaster Management

The key issues for disaster management for the current financial year consist of the following:

- Limited community awareness pertaining to disaster management.
- The establishment of a volunteer unit.
- Limited disaster management relief equipment.

5.2.3 FIRE AND RESCUE SERVICES

1 Description of the function

The Fire and Rescue Services Department form part of the Directorate Community Safety and is integrally involved in achieving one of the objectives of local government, which is to create a safe and healthy environment, as set out in the Constitution of the Republic of South Africa.

The services offered by this function of the directorate include:

- fire suppression;
- fire safety;
- communications;
- the testing and maintenance of equipment and vehicles; and
- training.

2 The Municipality's mandate

The mandate extends to Fire and Rescue Services, but not to fire and rescue services within the jurisdiction of national or provincial government or private sector institutions.

In terms of the Fire Brigade Services Act (Act No. 99 of 1987), the service has the mandate to deliver the following:

- prevention of the outbreak or spread of a fire;
- the fighting or extinguishing of a fire;
- the protecting of life and property against a fire or other threatening danger;
- the rescuing of a life and property from a fire or other danger;
- the performance any other function connected with any of the matters referred to above.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

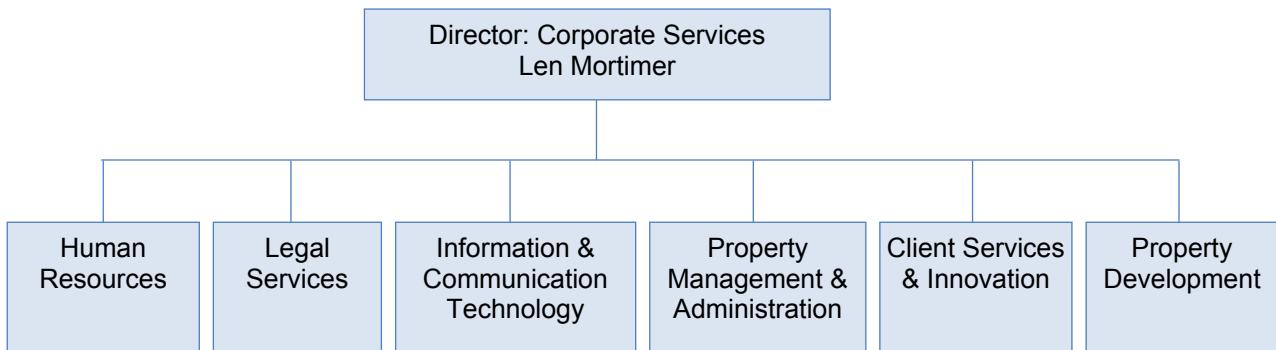
- to improve the quality of fire inspections;
- to strive towards adequate levels of staff competencies;
- to strive towards adequate and sufficient equipment and facilities; and
- to develop a fire-safety programme for the Greater Stellenbosch area.

4 Key issues for the current financial year

The following priority issues have been identified. These issues have the potential to negatively affect the community of the Greater Stellenbosch municipal area, as the fire department does not provide the same service to all the different areas in Stellenbosch:

- The response time of the provision of services to certain outlying areas are poor and needs to be addressed.
- The staff complement is insufficient.
- Specialised training for the fire services is expensive, with few training centres offering accredited courses.
- The current municipal by-laws are inadequate.

5.3 CORPORATE SERVICES



5.3.1 HUMAN RESOURCES MANAGEMENT

1 Description of the function

The HR Management Department supplies a support function relating to HR for all directorates and staff throughout the Municipality, thereby contributing to the smooth operation of all the directorates, as well as to the political executive leadership.

2 The Municipality's mandate

Through capacitating its staff and directorates, Corporate Services effects its mandate of supporting and developing the Municipality, thereby transforming it into an effective developmental organisation.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to ensure a skilled workforce through effective training and selection;
- to ensure an informed workforce through sound labour relations practices;
- to ensure sound HR administration; and
- to ensure a sound organisational structure through a well-balanced administrative process of job description and evaluation.

Through training, Stellenbosch Municipality wants to create a proud, confident and service-driven workforce for whom the main aim will be to serve the public, their employer and, primarily, their community.

4 Key issues for the current financial year

The key issues for the current financial year consist of the following:

- The dedicated, functional HR management system is inadequate for dealing with issues such as leave applications, disciplinary actions (administration) and salary administration. Phase One (PayDay and leave applications) has been implemented during 2007.
- Neither centralised nor decentralised personnel files are effectively managed. The department has invested in a filing system which will enhance the effective management of personnel files and which should be in place by 1 July 2008.
- A Performance Management System (PMS) is not yet available for the organisation as a whole. Currently, PMS is only in place for top management, though it is the objective of the Administration to make the System applicable to all levels of employment.

5.3.2 LEGAL SERVICES

1 Description of the function

The Legal Officer reports directly to the Director of Corporate Services and provides comprehensive legal support to all directorates.

2 The Municipality's mandate

The Legal Officer must advise the Municipality and must take the necessary steps to ensure that the Municipality complies with legislation in general.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to advise Council on compliance with legislation;
- to advise on legal matters;
- to advise on contracts; and
- to develop research capabilities in order to provide more updated legal information and options.

4 Key issues for the current financial year

The following require additional support:

- the development of by-laws;
- access to updated legislation; and
- compliance with legislation and policy.

5.3.3 INFORMATION AND COMMUNICATION TECHNOLOGY

1 Description of the function

The Information and Communication Technology (ICT) department supplies a support function with regard to information and communication technology to all directorates and staff of the whole Municipality, thereby contributing to the smooth operation of all the directorates, as well as the executive political leadership.

2 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to establish and maintain an effective and efficient ICT infrastructure;
- to enable the workforce of the Municipality to realise their administrative and business objectives by utilising the ICT resources;
- to ensure service availability through business continuity, sufficient access and adequate technical support;
- to ensure information security; and
- to facilitate the integration of information systems.

3 Key issues for the current financial year

The key issues for the current financial year consist of the following:

- Governance structure: The ICT function, given its potential to enhance the efficiency of Council, must be given more serious attention. . A formal ICT governance structure needs to be put in place to ensure corporate management of ICT investments. This will improve collaboration and integration of services across departments resulting in improved service delivery.
- Staffing: The staff compliment of the ICT section is currently insufficient to sustain the demand for technology support. Considering the geographical setup of municipal offices and the significant number of municipal personnel as well as the rapid growth in technology, adequate ICT staff levels will be provided to meet the growing needs of the municipality.
- Budget: The ICT department operates at a low budget. Funds will need to be managed effectively to ensure maximum return on ICT investments. A corporate approach to ICT spending would ensure optimal use of funds in exchange for relevant and quality technology.
- Training: Quality ICT skills is has become a scarce resource. New skills are required to manage emerging technologies and assume appropriate levels of accountability for ICT services. Ongoing and relevant training is required to ensure effective ICT support. ICT literacy levels amongst mainstream business users should also be improved.
- Information and Knowledge Management: The success of Stellenbosch Municipality will not only be based on the excellence in the delivery of services and operational efficiency, but also on leveraging corporate knowledge and intellectual capacity. Information and knowledge should be viewed as strategic assets which need to be carefully developed, managed and shared in support of business decisions. A comprehensive framework for information and knowledge management must be established that address good practice principles, security requirements, roles and responsibilities, data standards, information sharing, and municipal responsibilities under the relevant legislation

5.3.4 PROPERTY MANAGEMENT AND ADMINISTRATION

A Executive Support/Secretariat

1. Description of the function

The section is responsible for the following service areas:

- executive support of the Office of the Executive Mayor;
- corporate support for other office-bearers and councillors in general, excluding support to ward councillors; and
- the provision of secretariat services and/or support to all directorates, which includes the compilation, printing and distribution of agendas, minutes of all Council meetings, Mayoral Committee meetings, Standing Committee meetings and other *ad hoc* committees
- Cleansing services: Head-office, Pleinstreet

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to improve the compilation process of agendas and minutes for standing and *ad hoc* committees and Council meetings, and to extend such service to other participation structures;
- to improve the liaison among political office-bearers and management, functional departments and the public;
- to enhance the public image of political office-bearers, especially the Executive Mayor; and
- to explore the possibility of new support structures.

3. Key issues for the current financial year

Greater participation is required in:

- increased buy-in to meet deadlines pertaining to the preparation of agendas and minutes;
- additional IT support to optimise new technology;
- compliance in respect of agenda items and reports;
- promptness in respect of the approval of items;
- optimal use of technology (during meetings, for example); and
- access to information by the public.

B Records Management and Property Administration

1. Description of the function

The section is responsible for the following service areas:

- Records Management; and
- Administrative Support: Property Management.

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to further develop an effective and efficient electronic record and workflow system; and
- to improve the overall management of Council-owned property portfolios.

3. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- the need for increased buy-in to optimally use the electronic records management system;
- the optimisation of use of the decentralised archives by means of the electronic records management systems and increased compliance with national and provincial legislation; and
- the lack of policy pertaining to property management and administration.

C Facility Management

1. Description of function

The section is responsible for the following service areas:

- The maintenance of all Council-owned buildings, including Council's rental stock (houses and flats) and historical buildings owned by Council; and
- Project management of all building projects on Council-owned property.

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- the development of a five-year maintenance plan, in terms of which structural and rolling maintenance takes place;
- proper maintenance management of all Council-owned buildings; and
- proper project management of all capital projects.

3. Key issues for the current financial year

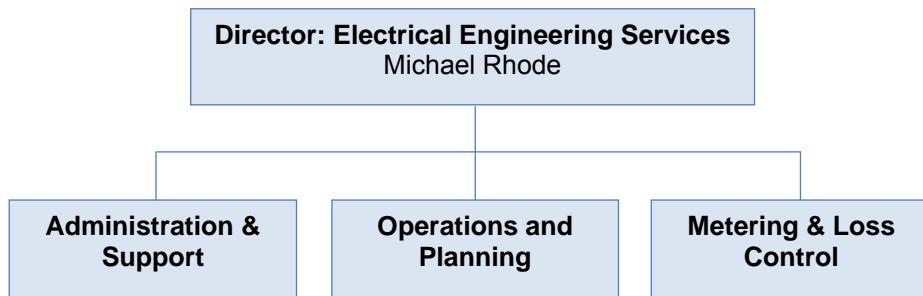
The key issues for the current financial year consist of the following:

- the linking of an organic growing budget to a maintenance plan; and
- the implementation of a system for the logging of maintenance queries.

5.3.5 CLIENT SERVICES AND INNOVATION

The department has been newly established to address customer relations management. Full reporting on the functioning of the department will be undertaken in the next review.

5.4 ELECTRICAL ENGINEERING SERVICES



Staff Profile: Electrical Engineering Services

Organisational structure	Total employed
OPERATIONS & PLANNING	
Professionals	4
Craft and related trades	15
Operators	2
Elementary Occupations	15
Subtotal 1	36
METERING & LOSS CONTROL	
Professionals	3
Craft and related trades	4
Elementary occupations	7
Clerks/Administration	1
Subtotal 2	15
WHOLE DEPARTMENT	
Professionals	7
Craft and related trades	19
Operators	2
Elementary occupations	22
Administration	1
Total	51

1. Description of the function

Stellenbosch Municipality buys electricity in bulk from Eskom and is responsible for its distribution within its licensed area of supply, under licence from the National Energy Regulator of South Africa. Electricity is taken from Eskom at three intake substations and redistributed to the end-consumer through a series of cables, lines and substations.

The directorate is responsible for:

- the construction and maintenance of the distribution network, as well as for providing new infrastructure to ensure a reliable and affordable supply of electricity to all;
- the effective management of revenue, by ensuring that all electricity supplied is billed for and losses reduced in order to cover operating and capital expenses; and
- the provision of a reliable and acceptable level of public lighting in order to improve the safety and living standard of residents.

2. The Municipality's mandate

Stellenbosch Municipality provides electricity services in the towns of Stellenbosch and Franschhoek and Klapmuts, Vlottenburg, Jamestown, Raithby, Kylemore, etc are supplied by Eskom.

Johannesdal, Pniel and the Simondium areas, is supplied Drakenstein Municipality.

3. Strategic objectives of the function

The strategic objective for the directorate is to increase access to electrical services.

4. Key issues for the current financial year

The key issues, as pointed out by the directorate, include the following:

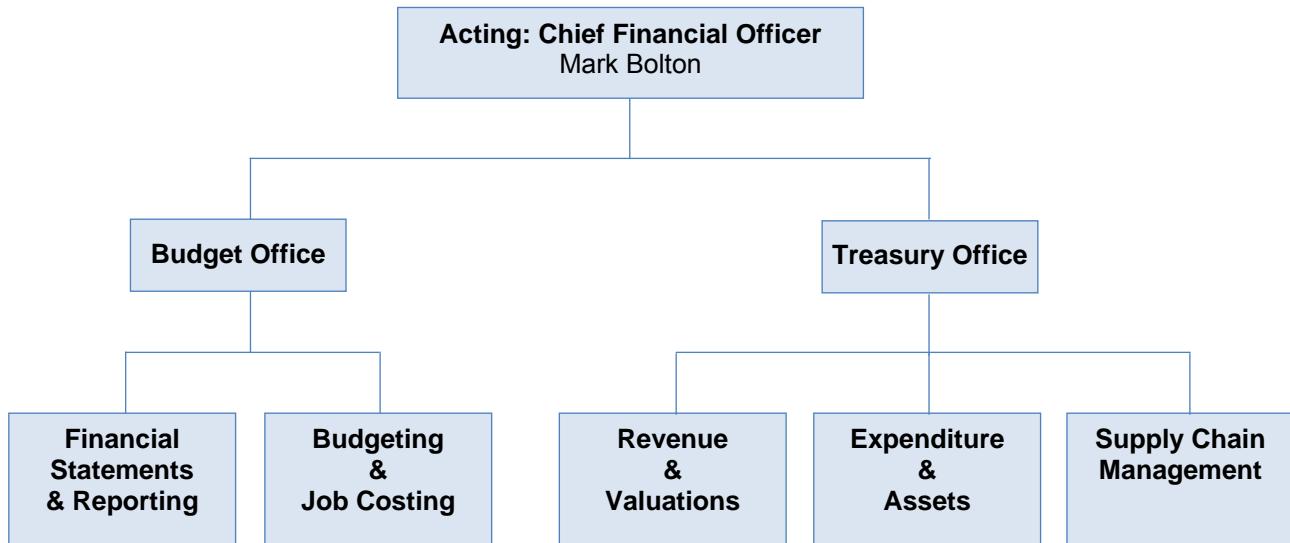
- o the financial capacity to maintain operating and maintenance services;
- o the financial capacity to provide new infrastructure and refurbish existing network;
- o the ageing of tools, plant and equipment;
- o the possible inclusion in the REDS; and
- o the affordable replacement of obsolete vehicles and equipment,
- o the attraction and retention of staff.

5. Analysis of the function (2007/2008 financial year)

Detail	Total	
	Quantity	Cost (R)
Total quantity and cost of bulk electricity purchases in kilowatt hours and Rand, by category of consumer		
Breakdown not available	380,557,221	72,037,832
Total quantity and receipts for bulk electricity sales in kilowatt hours and Rand, by category of consumer	Quantity 359,166,097	Receipts 149,609,150
► Residential		
► Commercial		
► Industrial		
► Mining		
► Agriculture		
► Other		
Total year-to-date electricity losses in kilowatt hours and Rand	21,391,124	4,049,247
Households with electricity access – number and cost per service	Number	Cost
► Electrified areas		
Municipal	23,144	2,700
Eskom		Unknown
Drakenstein Municipality	Unknown	Unknown
► Alternate energy source		
Gas	NA	NA
Paraffin	NA	NA
Solar	NA	NA
Wood	NA	NA
► Non-electrified	+/- 2,000	+/- 2,000
Number and cost of new connections	559	2,236,000
Number and cost of disconnections and reconnections	NA	NA
Number and total value of electrification projects, planned and current	Number	Value
► Current (financial year after year reported on):		
Watergang (Phase 1)	50	200,000
Langrug	Bulk infrastructure	3,082,000
► Planned (future years)		
Watergang (Phase 2)	1950	7,800,000
Mooiwater	301	1,200,000
<i>Note: Total project and project value, as per initial or revised budget</i>		
Anticipated expansion of electricity service:	Number	Value
66kV cable network upgrading	0	0
<i>Note: Total number of households anticipated to benefit and total additional operating cost per year to the Municipality</i>		
Estimated backlog in number of (and cost to provide) electricity connections	0	0
Number of households receiving free basic service provision:		
– Quantity (number of households affected)	7,555	
– Quantum (value to each household)	50	
Number and total operating cost of streetlights servicing population	7,500	R 488,000
Total bulk kilowatt hours consumed for street lighting	4,733,102	899,289

Number of grants and subsidies received per type	Number	Value
<i>DME (Electrification)</i>		3,082,000
<i>Provincial Funding</i>		100,000
<i>MIG</i>		N/A
Total operating cost of electricity distribution function		
Salaries and allowances		9,913,695
General expenses		123,497,295
Repairs and maintenance		3,461,945
Capital expenses		3,428,519
Other (contribution to funds, capital contributions, etc.)		1,245,994
Gross total		141,547,447
Less: Interdepartmental levy		40,959,420
Total		100,588,028

5.5 FINANCIAL SERVICES



5.5.1 BUDGET OFFICE

1. Description of the function

Budgeting and Job Costing: The section is responsible for the planning, implementation and control of the budget. As the budget is compiled in accordance with the IDP, it includes as varied public input as possible. The budget is split into an operating and capital budget, for which different methods of planning and implementation are used. The section is responsible for ensuring that the correct measures and procedures are in place to ensure compliance with, and implementation of, the budget, in accordance with the relevant legislation.

Financial Statements and Reporting: Annual financial statements are compiled within set time frames and adhere to all relevant legislation and accounting requirements. In addition to audit reports and financial statements being rigorously advertised and made available for public scrutiny as prescribed, they are also submitted to the external Audit Committee.

2. The Municipality's mandate

The relevant sections of the Directorate operate within the ambit of the applicable legislation and prescriptions, as do the following:

- o Council resolutions;
- o Council policies; and
- o Powers delegated by Council.

3. Strategic objectives of the function per section

The strategic objectives of the function consist of the following:

Budgeting and Job Costing

To compile a well-balanced, representative and affordable budget informed by the IDP that is sustainable, credible and responsive.

Financial Statements and Reporting

Financial Statements and Reporting consist of the following:

- o the compilation of accurate and reliable financial statements giving a true account of financial position;
- o compliance with relevant legislation and the compilation of required reports within prescribed formats and time frames. The reports include S52, S71 and S72 of the Municipal Finance Management Act (Act No. 56 of 2003), as well as monthly, quarterly and annual reports to National and Provincial Treasury.

4. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- adhering to all legislative financial reforms and reporting;
- adhering to accounting standards and structures; and
- the continuous implementation of internal control procedures.

5.5.2 TREASURY OFFICE

1. Description of the function

Expenditure and Assets: The function records municipal expenditure aligned with the budgets in order to ensure sound financial management, reporting and an accurate GRAP compliant asset register for the management of assets in an effective and sustainable manner.

Supply Chain Management: The function covers the following areas:

- Demand management;
- Acquisitions management;
- Logistics management;
- Disposal management; and
- Risk management.

The fundamentals here are to ensure value-for-money procurement aligned to the operational requirement timeframes of the Municipality, ensuring local economic injection and supplier development and an improved supplier base.

Revenue and Valuations: The function ensures that debtor accounts are delivered to all consumers for services rendered, giving account of consumption data, continuous credit control and debt management solutions, inclusive of financial assistance in the form of subsidies to poor households registered with the Municipality. The function also ensures that revenue is collected in accordance with the budget and that tariffs are determined equitably and is applied in a transparent manner.

2. The Municipality's mandate

The relevant sections of the Directorate operate within the ambit of the relevant legislation and prescriptions, inclusive but not limited to the following:

- Council resolutions;
- Council policies; and
- Powers delegated by Council.

3. Strategic objectives of the function per section

Expenditure and Assets

The strategic objectives of Expenditure and Assets consist of the following:

- to ensure accurate accounting in the general ledgers in order to reflect actual expenditure linked to cash flow projections ; and
- to keep track of Council assets, insuring assets at current replacement values and the movement of assets.

Supply Chain Management

The strategic objectives of SCM consist of the following:

- to ensure organization commitment;
- wider supplier data base
- local economic development and SMME'S investment
- reducing unemployment levels through progressive SCM implementation
- to ensure compliance with the following legal framework governing procurement:
 - the MFMA;
 - SCM Regulations;
 - SCM Policy;
 - the Construction Industry Development Board Act; and

- the Preferential Procurement Policy Framework Act and Regulations; and
- to ensure accountability, responsibility and confidentiality.

Revenue and Valuations

The strategic objectives of Revenue and Valuations consist of the following deliverables:

- to ensure optimal billing for services rendered and cash collection;
- to ensure effective credit control and debt collection; and
- to provide free basic services to indigent consumers;
- prevent revenue leakage;
- internal management advise.

4. Key issues for the current financial year

Expenditure and Assets

The key issues for Expenditure and Assets for the current financial year consist of the following:

- comprehensive procedures regarding the payment of expenditure incurred by Council should be developed; and
- payment management should conform more closely to relevant legislative requirements.

Supply-chain Management

The key issue for Supply-chain Management for the current financial year consists of the following :

- the implementation of an electronic procurement system
- supplier management
- stricter monitoring of bid and formal quotation processes
- a well-functioning SCM system

Revenue and Valuations

The key issues for Revenue and Valuations for the current financial year consist of the following:

- New general valuation roll process to be completed.
- Valuation and rates processes required by rates act to be put in place.
- Draft rates policy to be compiled, discussed with relevant parties, approved by Council and implemented.
- Robust credit control and debt collection policy and strategy to be enforced.

WHOLE DEPARTMENT

5. Analysis of the function (2007/2008 financial year)

Service	30 days	60 days	90 days	+120 days	Total
Water	2 741 429	768 472	525 510	5 855 671	9 891 082
Electricity	6 722 942	454 516	256 133	4 597 173	12 030 765
Property rates	3 359 950	556 636	395 146	11 102 412	15 414 145
Refuse removal	719 057	181 011	129 605	5 019 033	6 048 706
Sewerage	2 050 960	277 345	237 697	5 053 617	7 619 620
Rentals and loans	1 320 150	439 943	356 562	17 614 698	19 731 964
TOTAL	16 914 489	2 677 923	1 900 653	49 242 606	70 735 671
Property Rates (residential) (income)				Number	Value
* Properties rated				19 960	57 176 536
* Properties not rated (newly incorporated rural settlements)					0
* Rate exemptions: Included under 'other' below					0
* Rates collectible for current year					57 176 536
Property Rates (other) (income)					
* Properties rated				4 882	53 042 798
* Properties not rated (newly incorporated rural properties)					0
* Rate exemptions					6 330 911
* Rates collectible for current year					53 042 798
Property Valuation (income)				Year	Cycle
* Year of last valuation				2004	
* Regularity of valuation (cycle)					4 years
Indigent Policy (income)				Total	Value
* Number of households affected				9200	
* Total value across Municipality					17 275 599
Creditor Payments (expenditure)				Value	Age
Note: No large regular creditors outstanding for more than 30 days. The five largest monthly creditors (as of June 2007) are:				17 456 148	
* ESKOM					6 904 374
* Zebra Bituminous Surfacing					4 908 158
* DBSA					3 126 695
* P Mokwena Construction					2 516 921
* Thubelisha Homes					2 176 957
Credit rating: No credit evaluation was undertaken					Value
External loans: DBSA					
Financial Institution		Balance at 01/07/2007	Raised	Redemption	Balance at 30/06/2008
DBSA		33 598 638		3 119 997	30 478 641
Delayed and default payments					
Council has neither delayed payment on any loan or statutory payment, nor defaulted on any other payment of a material nature.					

5.6 INTEGRATED HUMAN SETTLEMENTS



5.6.1 HOUSING ADMINISTRATION

1. Description of the function

The Sub-directorate Housing Administration is responsible for the following functions:

- the management of 607 public rental units situated throughout the Greater Stellenbosch area;
- the administration of the housing waiting list and the monitoring of informal settlements; and
- the general administration and management of 161 rental housing units that are reserved for members of staff.
- Support role with regard to the maintenance and cleaning of public rental units.

2. The Municipality's mandate

Stellenbosch Municipality is mandated, in terms of the following legislation:

- The Constitution of the Republic of South Africa, 1996;
- The Housing Act, 1997, Act No. 107 of 1997;
- The Prevention of Illegal eviction from and Unlawful Occupation of Land Act, 1998, Act No. 19 of 1998.
- The Rental Housing Act, 1999, Act No. 50 of 1999;
- The Housing Code;
- The Housing Amendment Act, 2001; Act No. 4 of 2001;
- The Municipal Finance Management Act, Act No. 56 of 2003;
- to effectively and professionally administer the Housing Demand Database (electronic waiting list);
- to cost-effectively manage all existing rental units; and
- to provide a monitoring and developmental service in all the informal housing areas.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- the effective and efficient management of the Housing Demand Database;
- the effective and efficient management and control of the formal rental housing units; and
- the effective management and control of informal settlements areas,

4. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- the creation and the ongoing management of an electronic housing database that will include detailed information of homeless persons who are living in backyards and/or in overcrowded conditions within residential areas, in informal settlements, on farms and in rural areas. It is intended that the database be linked to the national housing subsidy system and the Department of Home Affairs and that it will form part of the national Housing Demands Database;
- the efficient management of Council-owned rental housing stock, with approved management policies in place;
- the monitoring of informal settlement areas; and

5. Constraints

The following constraints hampered service delivery

- o Limited funding to address repairs and maintenance of council owned rental stock;
- o Lack of policies and administrative procedures;
- o Limited funding for the development of the necessary software for the electronic Housing Database and completion of the Housing Needs Survey.

6. Analysis of the function (2007/2008 financial year)

Detail	Total
Total number of municipal-owned rental units	607
Housing need estimate	
Formal structures (Overcrowded and backyard shacks)	9000
Estimated informal dwellings and shacks =7643 as set out below	
• <i>Kayamandi</i>	1592
• <i>Franschhoek</i>	3515
• <i>Klapmuts</i>	1142
• <i>Cloetesville and Ida's Valley</i>	1089
• <i>Kylemore and Johannesdal</i>	165
• <i>Raithby</i>	0
• <i>Jamestown and Devon Valley</i>	140

5.6.2 NEW HOUSING

1. Description of the function

To initiate and deliver new housing within the municipal area.

2. The Municipality's mandate

Stellenbosch Municipality is mandated, in respect of various pieces of legislation, to deliver housing to its residents effectively, efficiently and appropriately. The mandate is contained within the parameters set by the following policy pronouncements: *Breaking New Ground*, *Asgisa* and the PGWC's programme known as *Isidima*.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- (a) to promote a single integrated housing market;
- (b) to facilitate access for the poor to work and life opportunities;
- (c) to maintain appropriate functional norms and standards that meet sustainability criteria;
- (d) to mobilize additional resources for housing and development.

4. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- (a) the construction of dwellings in Watergang Kayamandi (153 completed and 221 under construction);
- (b) met all the requirements of the Record of Decision for Watergang;
- (c) appointed an ECO to the satisfaction of DEA&DP;
- (d) EMP submitted to DEA&DP;
- (e) Commenced with phase 2 planning of Watergang;
- (f) the approval of the UISP by PGWC for Langrug / Mooiwater (R20 000 000);
- (g) investigation into the condition of vandalised internal services in Mooiwater Phase 2, Franschhoek;
- (h) calls for proposals on Erf 412, 386 and 217 in Franschhoek were advertised;
- (i) Gap Housing, Franschhoek (civil engineering services completed); and
- (j) the installation of bulk and internal services in Klapmuts (planning and design for 550 units completed (R38 000 000) - an application for the bulk and internal services has been submitted to the PGWC for approval;
- (k) the subdivision of Klapmuts (52 units) has been approved and submitted to the land surveyor;
- (l) calls for proposals on Erf 342 in Klapmuts were advertised;
- (m) calls for proposals on Farm 527 in Jamestown were advertised;
- (n) calls for proposals on Erf 10866 - 11008 in Ida's Valley were advertised;
- (o) calls for proposals on Erf 11330 in Ida's Valley were advertised;

5. CHALLENGES AND SHORTCOMINGS

The municipality experienced the following constraints in meeting its objectives;

- a) Inadequate Infrastructure to support housing projects;
- b) Affordability of housing products;
- c) Private sector Housing market supply not in line with demand;
- d) No approved Spatial Development Framework;
- e) Inadequate funding allocations from Government;
- f) Work still being carried out in silos within Municipality;
- g) Housing legislation – too restrictive;
- h) High Stakeholder aspirations and expectations;
- i) Land availability constraint.
- j)
- k) Analysis of the function (2007/2008 financial year)

DETAILS	TOTAL			
Number and total value of housing projects, planned and current	TOTAL VALUE (R)	TOTAL COST (R)		
• Current (units built) 220	3553000	15215000		
• Current (sites serviced) 56	3200000	3200000		
• Planned (future years) 6250	272000000	401000000		
<i>Note: Total project and project value as per initial or revised budget</i>				
Estimated backlog in number of (and cost of building) housing units	TOTAL UNITS	TOTAL COST (R)		
• House or brick structure	8 500	680 000 000		
• Traditional dwelling	0	0		
• Flat in block of flats	1 900	180 050 000		
• Town, cluster or semi-detached group dwelling (GAP Housing)	3 600	1 080 000 000		
• Informal dwelling or shack (incremental housing approach)	2 050	65 600 000		
• Room or flatlet	0	0		
Total value of grants and subsidies actually received during year, recorded according to five periods (each grant or subsidy listed separately)				
Grant/subsidy	Jul-Sep 2007	Oct-Dec 2007	Jan-March 2008	Apr-Jun 2008
Housing subsidy	0	6 381 141	24 966 661	0
Capital budget	600 000	590 000	400 000	780 000

5.6.3 SPECIAL PROJECTS

1. Description of the function

The sub-directorate Special Projects is responsible for the successful implementation of the Neighbourhood Revitalisation Programme; the provision of Housing Consumer Education Programmes and research on best practices of human settlement development in the Greater Stellenbosch.

2. The Municipality's mandate

Stellenbosch Municipality is mandated, in respect of various pieces of legislation, to provide for mechanisms and processes that are necessary to move progressively towards the social and economic upliftment of the local communities.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- o to create an environment conducive for private sector investment in underserved residential neighbourhoods and to unlock the social and economic potential within these areas;
- o to provide training and education to house owners and to create better awareness of their duties towards Stellenbosch Municipality and to ensure effective implementation of the Provincial Housing Consumer Education Programmes;
- o to manage housing policy research in order to improve on the directorate's capability to deliver on its strategic focus with regard to housing delivery.

4. Key issues for the current financial year

The key issues for the current financial year consist of the following:

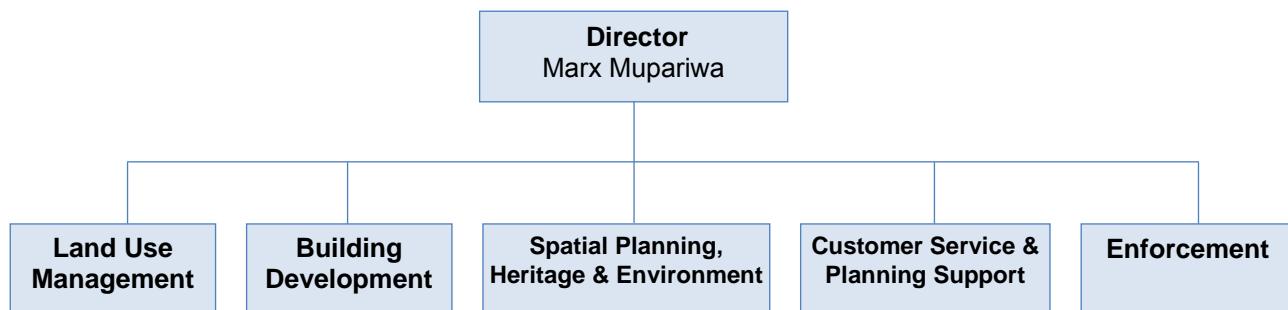
- the establishment of Neighbourhood Revitalisation Programmes for Ida's Valley, Cloetesville, Kayamandi ,Jamestown, Kylemore and Groendal;
- the finalisation of a strategic development framework (vision, demarcation and base documentation) as first phase of the programme;
- the identification of various neighbourhood development projects, divided into short term (quick wins),medium term as well as long term initiatives;
- the alignment of neighbourhood development projects with the IDP process and the ward base plans ;
- the mainstreaming of the cross cutting Neighbourhood Revitalisation Projects in the activities of all the directorates to ensure a holistic approach to the implementation of such projects,
- the submission of an Application to National Treasury to obtain funding for the projects;
- the identification of the housing projects and beneficiaries that will form part of the Housing Consumer Education Programme;
- the compilation of a business plan for submission to the PGWC (funding purposes).

5. Challenges and shortcomings to deliver effective service

The following are considered critical for the efficient functioning of this sub-directorate:

- Ensuring the enrolment of all housing beneficiaries to the housing consumer education programme before handing over the keys to their new houses;
- The sourcing of additional funding (revenue) to improve the housing consumer education programme;
- Managing the lack of commitment from public to attend the housing consumer education training, notwithstanding door to door visits to encourage participants – only 18 % of those invited, attended the training; and
- Managing the misconception amongst role players that Neighbourhood Revitalization is the sole responsibility of a few officials instead of the responsibility of all directorates and staff.

5.7 PLANNING AND ENVIRONMENT



5.7.1 LAND USE MANAGEMENT

1. Description of the function

The department is primarily responsible for processing land development applications, including rezoning, subdivisions, departures, consent uses and removal of title deed restrictions. All development applications must be processed within the statutory time frames stipulated by the empowering legislation.

Besides processing development applications, the department is also responsible for writing local land use policies; driving the integrated zoning scheme project; as well as providing planning advice at the one-stop shop. Currently, no reliable statistics accurately portray the total number of development applications that were received against those that have been finalised. However, the directorate commissioned an electronic tracking system that will be used as an overall management tool for all the land development applications received. The tracking system will simplify the compilation of management reports and identify areas that require attention, as well as facilitate the measurement of general staff productivity. The Land use and Building Development tracking modules have been completed and implementation and staff training is currently underway.

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- o to provide efficient and customer-focused planning service that recognises that planning is about people and their environment;
- o to organise planning interventions that make positive changes to the lives of the poor, thereby working towards addressing the imbalances of the past;
- o to create a long-term policy-driven planning environment that acknowledges the cumulative impact of individual planning decisions; and
- o to provide an investor-friendly environment with predictable and efficient decision-making processes.

3. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- o the need to finalize the streamlining and standardization of workflow processes;
- o the implementation of an up-to-date and workable geographical information system (GIS) and easily accessible accurate electronic zoning maps;
- o the continuous review and updating of various land use-related policies;
 - the development of skills on an ongoing basis in order to ensure that new ideas and efficient ways of working become the norm; and
 - given the volume of contraventions that the directorate receives and the drawn-out process that is involved before contraventions can be resolved, it is imperative to have a stand-alone enforcement section headed by a full-time Enforcement Head. This matter is currently being addressed.

5.7.2 SPATIAL PLANNING, HERITAGE AND ENVIRONMENT

1. Description of the function

The department has three main functions, namely forward planning, heritage and environmental management. Forward planning is mainly geared towards the long-term management of land development so that current needs are efficiently met without compromising the ability of future generations to satisfy their own needs. Besides the preparation of spatial development frameworks, this department also writes policies that provide guidelines to the use of land and buildings in environmentally- and heritage-sensitive areas. The concept of sustainability and the triple bottom-line approach to land development is the key guiding principle of the functions that are performed by the department.

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- the promotion of sustainable management of environmental and heritage resources, by means of the production of both natural and built spatial and environmental development frameworks that appropriately respond to the natural and man-made attributes that make Stellenbosch unique;
- giving expression to national and provincial policy directives on spatial and environmental planning; and
- the provision of strategic spatial direction for the growth of the urbanised parts of Stellenbosch, as well as the various hamlets within the municipal area.

3. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- the production of up-to-date development frameworks that appropriately balance the pressure for development and the sensitivity of both the natural and built environment; and
- the review and updating of thematic and spatial plans that require public input and Council decision-making

5.7.3 BUILDING DEVELOPMENT MANAGEMENT

1. Description of the function

- Process building plan applications submitted in terms of the national building regulations (NBR) and conduct building inspections.
- Assist the public with all enquiries regarding building activities, complaints and unauthorised building work.
- Process land use and building contraventions.

2. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to render efficient, effective and up-to-date service to the public and ensure that all building plan applications are processed within the statutory time frames;
- to provide efficient and effective monitoring and control of all building processes for compliance with all applicable legislation; and
- timeously conduct building work progress inspection and promptly feed into the valuation system.

3. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- the need for reliable, readily available tracking system to track building plan applications and progress inspections; and
- the need for more focused staff training.

5.7.4 CUSTOMER SERVICE AND PLANNING SUPPORT

1. Description of the function

The function plays a supporting role in respect of other departments in the Planning and Environment Directorate and is primarily responsible for managing the systems and processes that support the directorate. The function is also responsible for conveying Council decisions on land development

applications, front-office service to external customers, as well as the performance of administrative work for the directorate.

2. Strategic objectives of the function

The strategic objectives of the function are to create a department that is customer-service driven and to continually improve processes to achieve overall efficiency in the utilisation of resources.

3. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- o the need to finalize the documentation of workflow processes and train staff on new processes; and
- o the need to access an accurate electronic database containing the details of new applications, zonings and previous planning permissions.

5.8 SOCIAL DEVELOPMENT SERVICES



5.8.1 CLEANING AND GREENING SERVICES

1. Description of the function

The Cleaning and Greening Services Department is divided into five sections: parks and rivers; sports ground maintenance; urban greening; nature conservation and environmental management; and a small plant workshop. The department is responsible for all greening and cleaning functions within the municipal area.

2. The Municipality's mandate

Our mandate is to deliver an excellent service to all residents of, and visitors to, the municipal area. To conserve and care for the natural areas and to develop and maintain all public open spaces, rivers and sports facilities in the area. Further, to facilitate public participation and community ownership in delivering these functions.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- o to deliver on the objectives of local government, as specified in the Constitution;
- o to provide, to the best of our abilities and with due regard to the financial constraints that we experience, a sustainable and cost-effective service; and
- o to beautify and conserve the Greater Stellenbosch;
- o to ensure that we maintain our status as Oak City of South Africa; and
- o to educate and energize the general public in caring and nurturing our natural heritage

4. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- o The residents of the area should be encouraged to practise due ownership and care towards the natural environment and public open spaces. Increasingly, illegal dumping, the littering of recreational places, the damaging of trees and trespassing in nature reserves are a source of concern.
- o A clean and healthy environment is a priority for the Council. All residents and visitors to the beautiful towns of Franschhoek, Pniel, Klapmuts and Stellenbosch require education on keeping the towns clean and healthy in a sustainable manner.
- o The Municipality can only green and clean the Greater Stellenbosch if sustainable partnerships are entered into with all stakeholders in our communities. Partnerships with ward committees, NGOs, businesses, the University, schools and the public in general foster the involvement of stakeholders in the daily running of the Municipality.
- o All sections in the department have insufficient personnel and ageing vehicles and equipment. The directorate is new, and has new functions (such as area cleaning) that were previously neglected. New positions have been created in the micro-structure and funding will be phased in, as and when available.
- o With the new appointment of experienced staff members to management, the department's problem has been solved with respect to managerial gaps and the break in continuity resulting from the retirement of older staff members.

Section-specific:

Area Cleaning:

A new Littering By-law was compiled and more strictly enforced and complaints were dramatically reduced. In line with political direction the focus was on the cleaning of the CBD's of Franschhoek and Stellenbosch only, but will be extended to residential areas as soon as possible.

Parks and playgrounds

New public open spaces and playgrounds were developed in townships and rural areas. Policing of public open spaces for transgressions and illegal dumping was conducted. A new parks and public open space management policy is in its draft format.

Sports ground development and maintenance

A Sports Administrator was appointed to streamline the administration of the SSRA and the sports section. The rural sporting codes have also formed an umbrella body which is known as SFSR. (Stellenbosch Farmers Sports and Recreation Association). The main challenges experienced are over utilization of current facilities, especially the soccer fields that are not adequate for the need. The rural areas and specifically the forest areas ("bosdorp"), that the Municipality inherited recently do not, as yet, have adequate sport facilities.

Environmental management

Policing of natural areas, including the prevention and combating of illegal dumping and vandalism.

5. Analysis of the function (2007/2008 financial year)

Detail	Total	
	Number of facilities	Number of users
Nature and extent of facilities provided		
• <i>Plantations</i>	6	2 000
• <i>Farms</i>	102	102
• <i>Picnic areas</i>	2	12 500
• <i>Proclaimed nature areas</i>	2	3 000
• <i>Parks and playgrounds</i>	263	56 000
• <i>Sports facilities (specific)</i>	16	61 000
• <i>Swimming-pool</i>	1	30 000
• <i>Workshop</i>	1	50
• <i>Nursery</i>	1	1 000
TOTAL	394	165 652
Number and total cost to employer of all personnel associated with each community services function	No of staff	Total cost to employer
• <i>Plantations</i>	12	967 015
• <i>Picnic areas</i>	2	211 180
• <i>Proclaimed nature areas</i>	4	275 992
• <i>Parks and playgrounds</i>	65	5 179 660
• <i>Sports facilities (specific: NA)</i>	34	2 552 518
• <i>Swimming-pools</i>	3	439 947
• <i>Workshops</i>	3	431 730
• <i>Urban Greening</i>	27	2 275 942
• <i>Management & Admin</i>	5	925 095
TOTAL	155	13 259 079

5.8.2 SOCIAL AND HUMAN DEVELOPMENT

A Library Services

1. Description of the function

This function involves the day-to-day running and management of the six libraries. The provision of libraries is a Provincial function, which the Municipality delivers on an agency basis for the Provincial Government. Most of the funding for the libraries is still covered by the Municipality, although the Provincial Government is increasing its contribution yearly. Six libraries are rendering services to the Greater Stellenbosch area, namely the Plein Street (Stellenbosch), Kayamandi, Pniel, Cloetesville, Idas

Valley and Franschhoek libraries. The libraries are seen as an effective tool for human development where a reading culture is fostered in all communities.

2. The Municipality's mandate

The Municipality's mandate consists of the following:

- The continued rendering of the services of a public library must be ensured, subject to the terms and conditions set out in the agreement between the Western Cape Provincial Library Services (WCPLS) and the Stellenbosch Municipality.
- The Municipality is obligated in terms of the agreement to render services to its libraries with regard to premises and maintenance at own cost and to ensure the availability of staff to run and manage the libraries. The provincial function is to provide library material and equipment on loan and guidance in respect of the establishment and management of registered libraries, although implementation at the local level involves the Municipality.
- Library services must be marketed to involve all the communities in the activities provided.
- Educational, cultural and recreational programmes must be presented by the libraries to their own communities. Such programmes include holiday programmes for the young and programmes for youth and adults, career expos, and hands-on and additional skills training.
- Services must be provided for the residents of old age homes (of which there are currently 11) and house-bound patrons. Such services involve circulating stock among the elderly, the house-bound and the handicapped.
- Information must be provided on both formal and non-formal educational opportunities.
- Extension activities must be presented, including adult programmes, holiday programmes and outreach services on, for example, creating a business corner and assisting entrepreneurs with setting up a small business.
- A culture of reading and learning must be promoted through, *inter alia*, continuous marketing and displaying of reading material.
- The Municipality is constantly exploring creative ways of expanding the service to the rural areas.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to be a tool for human development within Greater Stellenbosch;
- to render a service to clients by providing an information infrastructure and access to information for all communities in Greater Stellenbosch through books and audiovisual material from the Western Cape Provincial Library Services; and
- to be proactively involved in collection, development and the filling of stock gaps when necessary, for example when the medical collection is insufficient.

4. Key issues for the current financial year (2007/2008)

The key issues for the current financial year consist of the following:

- to incorporate the libraries in the Social and Human Development Department with a developmental approach in service delivery;
- additional funding was made available by the Provincial Department for the funding of 6 contract positions and for maintenance on buildings
- a satellite library in Groendal, Franschhoek was opened in partnership with Exclusive Books and a possible site for a library at Klapmuts is under investigation.

5. Summary of library statistics

Public Facility	Number of registered patrons, as on 30 June 2008	Material circulation for the financial year (2007/08)
Plein Street Library	10110	201013
Franschhoek Library	2214	50108
Cloetesville Library	3006	36254
Idas Valley Library	1986	34572
Pniel Library	843	18902
Kayamandi Library	1407	3226
TOTAL	19566	344075

B Social and Human Development

1. Description of the function

Social Development is a fairly new notion within municipalities. The concept was introduced to municipalities in 2006, in line with the campaign of transforming municipalities as “developmental agencies” within the new dispensation. Within Stellenbosch Municipality, Social and Human development started in October 2005, as a Youth, Gender and Disability Unit (YGDU) in the office of the Municipal Manager. In 2006 the unit was moved to the Directorate Social Development Services and the Department Social and Human Development were established.

The department expanded to also include more vulnerable groups, namely children, elderly and people living on the street. All of these vulnerable groups are affected by the cross cutting issues of crime, poverty, substance abuse and HIV/AIDS. The function of Library Services was also moved at the same time to form part of this department.

2. Municipality's mandate

As the form of government closest to the people our mandate is to care for, protect the vulnerable people of our community and facilitate services rendered to them. The vision of the department is the social and economic development, upliftment and empowerment of youth, women, the disabled, children, the elderly and people living on the street within the boundaries of the Greater Stellenbosch. This is done through a process of facilitation, co-ordination and networking with services rendered by role players (inter-governmental and NGO's) in the field. This does not mean that the department will not undertake programs of its own, but that it will be selective in deciding on programs of own initiative in order to prevent duplication of services.

3. Strategic objectives

- Our aim is to ensure that Stellenbosch Municipality delivers on its mandate as a developmental agent by mainstreaming the Rights Based Approach through all service delivery;
- To ensure that the rights of the vulnerable people within our boundaries are protected and that cognisance of their needs is taken in service delivery by the Municipality thereby contributing towards poverty alleviation and development among these vulnerable groups.

4. Key Issues for the financial year

- Building out of new structures and strengthening existing structures for the vulnerable groups;
- Drafting of a strategy for the department; and
- Development of people in the six vulnerable groups.

Number and total cost to employer of all personnel associated with each function	No of staff	Total cost to employer
● <i>Libraries</i>	35	3 995 157
● <i>Social and Human Development</i>	5	286 829
TOTAL	40	4 281 986

5.8.3 MUNICIPAL AMENITIES AND FACILITIES

1. Description of the function

The department consist of 3 sub-sections namely Halls, Cemeteries and the Management and Facilitation of the body corporate for the Municipal Work Yard (Beltana).

2. The Municipality's mandate

Our mandate is to deliver an excellent service to all residents and visitors to the Greater Stellenbosch by striving to provide community facilities better than acceptable standards.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to deliver on the objectives of local government, as specified in the Constitution;
- to provide, to the best of our abilities and with due regard to the financial constraints that we experience, a sustainable and cost-effective service; and
- to provide adequate cemetery space for the burial needs of all communities in the Greater Stellenbosch.

4. Key issues for the current financial year (2007/2008)

The key issues for the current financial year consist of the following:

- To provide in the urgent need for burial space in the Greater Stellenbosch.
- To upgrade the appearance and indoor facilities of municipal halls in the Greater Stellenbosch; and
- To improve the appearance of all cemeteries by greening it, cleaning it and manage it effectively.

CEMETERIES

- The whole of the WC024 is in need of more burial facilities. A feasibility study has been approved and the recommendations will be implemented in stages in the new financial year.
- The greening and upgrading of the cemeteries is an ongoing process which commenced during the 2007/08 financial year. Approximately 100 trees and shrubs were planted at Jamestown and Pniel cemeteries respectively and dead and dangerous trees were removed. Approximately 130 unimproved graves were tidied up and marked with stone crosses. This will be ongoing. The boundary fence at Onder Papegaaiberg cemetery is being replaced in phases.
- The By-law for cemeteries has been amended to accommodate the poor communities with regards to tariffs.

HALLS

- The Halls section was transferred to the Social Development Services Directorate with effect from 1 April 2008 and a new department namely Municipal Amenities and Facilities was established incorporating the cemeteries section and managing the Body Corporate for Beltana Work Yard.
- An updated policy for the hiring and use of halls and facilities has been approved and will be implemented.
- The rental fees and deposits were adjusted to meet market related standards with effect from 1 July 2008.
- The approved plan for maintenance and upgrading of halls commenced and two halls namely the community halls for Kylemore and La Motte were officially opened. The program is being run in collaboration with the Facility Management Section.
- Furbishing such as chairs, tables, stoves and fridges were acquired where most needed. This will be an ongoing process to equip halls effectively.

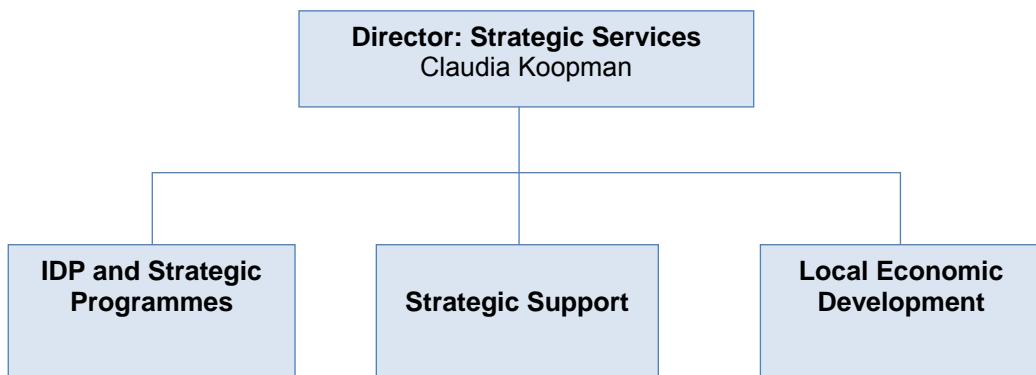
BELTANA WORK YARD

- A Body Corporate to manage this facility was established with representatives from all directorates utilizing the Work Yard. Several meetings have been held and the initial focus is on the security of municipal assets.
- The office accommodation of the Department Municipal Amenities and Facilities Administration is in the planning stage. Draft plans for the buildings have been received for consideration. Temporary office space is being implemented at the Stores building.

5. Analysis of the function (2007/2008 financial year)

Detail	Total	
Nature and extent of facilities provided	Number of facilities	Usage July '07- June '08
• Cemeteries	6	541 burials
• Halls	13	465 functions
TOTAL	19	1006
Number and cost to employer of all personnel associated with each community services function	Total	Cost
• Cemeteries	15	1 351 498
• Halls	15	1 024 501
TOTAL	30	2 375 999

5.9 STRATEGIC SERVICES



5.9.1 IDP AND STRATEGIC PROGRAMMES

1. Description of the function

IDP and Strategic Programmes provides a unique support service to all departments, the Municipal Manager, Council and the community. The department manages information relating to the IDP and other strategic programmes of the organisation, and also ensures the effective management of organisational performance as well as the performance of the Municipal Manager and Section 57 managers. In so doing the department facilitates institutional preparedness to enable Stellenbosch Municipality to fulfil its mandate in terms of the legislative framework.

2. The Municipality's mandate

Stellenbosch Municipality is mandated to produce an annually-reviewed IDP document, which is the culmination of thorough internal and external assessment and planning and engagements with our communities and stakeholders.

This department is furthermore responsible for performance management and to make annual performance reports available to various governmental and public stakeholders in accordance with legislation.

3. Strategic objectives of the function

Organisations should be both strategically and operationally excellent to survive. Striving towards inculcating a new approach to strategic management entails:

- developing and managing a new generation IDP, which promotes inclusiveness and shared growth; and
- maintaining an effective and updated PMS for the Municipality.

4. Key issues for the current financial year

- The IDP must be reviewed annually.
- The IDP must be aligned with the strategic goals and priorities of the District Municipality, as well as with those of the provincial and national government.
- The PMS must be updated and reported on annually.
- The participation of all stakeholders in the strategic planning processes of Council.
- Access to, and training for, all users must be provided on how to use the SMS database.

5.9.2 STRATEGIC SUPPORT SERVICES

1 Description of the function

The department is responsible for:

- Public participation: Firstly, aimed at managing the development and implementation of Council policy on community participation and, secondly, at providing support and capacity to ward committees. Lastly, to manage the Community Development Workers (CDW) Programme.
- Policy management and research: Aimed at addressing current gaps in municipal policies and effectively managing the development and roll-out of relevant policies.

- International relations: Aimed at developing functionally and mutually beneficial relationships with international counterparts, which will benefit all communities in Greater Stellenbosch.
- Intergovernmental relations: Aimed at developing functionally and mutually beneficial relationships with national, provincial and district spheres of government, which will benefit all communities in Greater Stellenbosch.
- Communications: The function is responsible for internal and external liaison. Internally, it renders communication support services (in the form of marketing, posters and ward committees) to the other directorates. Externally, it renders public relations services to both the Municipality and its social partners.

2 The Municipality's mandate

To ensure that the total ambit of services that are clustered in this department meets the needs expanded on in the Constitution and specifically in the Local Government Systems Act.

3 Strategic objectives of the function

The strategic objectives of the function consist of the following:

- to compile a community participation strategy;
- to institute fully functional and operational ward committees;
- to establish a fully functional and capable policy management section;
- to develop a complete policy register;
- to develop a clear framework for international relations;
- to design and compile a strategic plan for communication in the Municipality; and
- to implement an effective communication system in the municipal area.

4 Key issues for the current financial year

The key issues for the current financial year consist of the following:

- Ward committees must function properly and be supported.
- The utilisation, function and role of community development workers.
- Extending internal communications to include more practical tools which are implementable in every directorate.
- The current very narrow definition of the scope of external communications should be extended to include the relevant areas outside Stellenbosch town.
- More meaningful public participation methodologies need to be researched and implemented.

5.9.3 LOCAL ECONOMIC DEVELOPMENT

1. Description of the Function

The function of the Local Economic Development (LED) Department is to grow the local economy in a sustainable way that would ensure that all citizens participate in the local economy in a meaningful way.

2. The Municipality's mandate

The LED Department is responsible for the coordination and facilitation of local economic development and in order to create a vibrant and sustainable local economy.

3. Strategic objectives of the function

The strategic objectives of the function consist of the following:

- Formulate and develop a Local Economic Development Strategy;
- Broaden economic participation through SMME development and land reform;
- To identify, initiate and implement projects that promote SMME development & EPWP initiatives;
- Develop a Integrated Tourism Development Plan for the Greater Stellenbosch
- Develop structured community skills training programme to increase economic

4. Key issues for the current financial year

The key issues for the current financial year consist of the following:

- Main streaming Local Economic Development through a Programme Implementation Plan;
- Establishment of reliable, relevant updated economic data;
- Broaden the understanding of the role of Local Economic Development amongst stakeholders through continuous engagements;
- Create private public partnership to leverage resources for development; and
- Structure the Department's human resources and functions according to the needs as established in the Local Economic Development Implementation Plan;
- Expand and formalise the Expanded Public Work Program to create more job opportunities;
- Ensure that Kayamandi Economic Tourism Centre is fully operational

CHAPTER 6

Conclusion... and looking ahead

The defining characteristic of the period under review has been the changing of the political guard, so to speak. In April 2008, following on the by-election in Ward 17, a new political coalition came into power in the municipality of Greater Stellenbosch.

Such a change invariably presents its own challenges, and it is futile to pretend that things could proceed in a business-as-usual manner. The challenge was to deliver on the statutory imperatives that oblige the municipality, within the political vision of the incumbent political coalition.

Service delivery to the entire Greater Stellenbosch has been the unconditional bottom-line because of our commitment to nation building and the evolution of one undivided community. I am very satisfied with what we have been able to achieve in broad terms while still prioritising our most pressing concern; the needs of the poor and under-privileged.

During this period the electricity crisis came to a head with a substantial hike in electricity costs to the municipality. We have managed to keep our tariff increases to a reasonable level and to provide extra cost shielding for the indigent and those in the lower income brackets.

Our housing delivery programme has begun to bear fruit despite the inevitable delays caused by the protracted processes that have to be followed before actual delivery can commence.

Municipal administration has proceeded smoothly thanks to the competent management of the previously Acting Municipal Manager, Mr Ian Kenned, who has now been appointed as the Municipal Manager. His experience, skill and energy were invaluable in the period of political transition to the stable dispensation that we have now achieved.

The various Standing Committees performed well in doing the spade work on the basis of which informed decisions could be made, but it was at the level of the numerous Mayoral Committee meetings that the responsibility of delivering service in a changed context was really appreciated and handled with the necessary insight.

Council meetings were rescheduled to one per quarter to provide councillors with more time to engage in ward-based work.

Our greatest challenge to effective service delivery is still the dysfunctionalities that plague our ward committee system. Information vital to such service delivery is not reaching the municipality at the early planning stages. This sometimes result in a mismatch between real community needs and the plans of well-meaning directorates that inadvertently address issues based on insufficient information.

The new financial year promises to be one of high service delivery as a result of progress in the following:

- the non-motorised transport and pedestrianisation implementation plan;
- much improved safety and security and disaster management measures;
- more cleaning and greening projects in areas outside the CBD, to assist job creation;
- greater emphasis on the delivery of affordable housing;
- the opening of the Kayamandi Economic and Tourism Corridor;
- legacy projects emanating from our 2010 involvement.

In conclusion I wish to thank all my fellow Councillors, senior municipal management and the entire administrative staff, as well as all community and institutional role players for the contribution each has made in the further development of Greater Stellenbosch during this financial year.

**PM SWARTZ
ALDERMAN EXECUTIVE MAYOR**